Nigerian crisis: scapegoats for an oil glut, Page 14

No. 28,991

Friday February 4 1983

## GENERAL Zapu 'trying to topple Mugabe'

atinued.

arch Grove

:NAL

Tensions in Zimbabwe between Mr Robert Mugabe's Zanu-PF Govern-ment and Mr Joshua Nkome's opposition Zapu party heightened as ministers blamed Zapu for banditry and dissident activity in Matabele-

Dr Sekermayi, Minister for Se-curity, said the dissidents were trying to achieve "virtual secession," while the Zapu leadership was trying to topple the Government. Another security minister, Emmerson Munangawa, claimed se-nior politicians were intimately involved in managing the dissident

#### Kohl moves ahead

West Germany's Empid opinion poll shows Chancellor Helmut Kohl's Christian Democrats surging ahead and forecasts they will get 49 per cent of the vote in the March 6 elec-

#### Rioting in Assam

The indian army was patrolling the Mangaldoi district of Assam after pre-election riots in which two people died when police opened fire.

#### Lagos arson charge

Nigerian newspaper columnist Ray Ekpu was charged with burning down the felecommunications building in Lagos last week. Nigeri-en crisis, Page 14

#### Poland closes UPI

Polish authorities closed the offices of United Press, International in Warsaw, Its U.S. chrespondent, Ruth Gruber, was expelled last

#### Izvestia editor goes

The editor of the Soviet govern-ment daily Izvestia, Pyotr Alexeyev. 70. has been replaced by Lev Tolkunov, the man he succeeded seven years ago.

#### New Zealand switch

New Zealand's opposition Labour Party elected lawyer David Lange as its leader to replace former premier Bill Rowling

#### Greenland step

The European Commission took the first step to smooth Greenland's departure from the REC by proposing that it be given privileged overseas

#### Thai army move

Thailand's King Bhumibol Adulyadej summoned an emergency ses-sion of parliament to after the constitution to allow the army dominated senate to retain its powers. Page 3

#### Plutonium 'for sale'

British arms dealer Gary Howard. giving evidence against Ian Smal-ley in Dallas, Texas, said he once knew of weapons grade phitonium for sale by former Portuguese mercenaries.

#### Hounded out

Authorities in Bali have told owners of imported dogs to ship their pets out of the tourist island to

#### keep it free of rabies.

Detention denied East Germany denied former world champion figure-skater Anett Poetzsch had been detained for trying

#### to flee the country.

Briefly ... issael's toll since its June invasion

of Lebanon is 466 killed, 2,567 Five bombs exploded at a water

sumping station near Maseru, Les-

## BUSINESS London equities reach

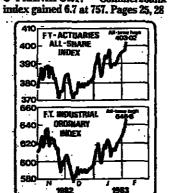
investors saw signs of cheaper in-ternational money. The FT Industrial Ordinary index jumped 14.6 to a record 646.8. The FT-Actuaries index added 1.4 per cent to a bestever 403.62. Government Securities rose, with some longs up 1% and shorts %. Page 25. FT Share in-

new high

formation Service, Pages 30, 31 ● WALL STREET: Dow Jones Index closed up 2.02 at 1064.66. Pages

to 7,991.29. Stock Exchange index lost 6.67 to 582.04. Pages 25, 28 ● HONG KONG: Hang Seng index was 6.73 lower at 888.08. Pages 25,

 AUSTRALIAN al-shares index tumbled 17.4 to 527.7. Pages 25, 28 • FRANKFURT: Commerzbank



● DOLLAR fell to DM 2465 (DM 2.495), FFr 6.9925 (FFr 7.0775), SwFr 2.019 (SwFr 2.0475) and Y238.75 (Y242.25) Its Bank of England trade-weighted index was 121.3 (122.1) Page 32

STERLING rose 1 cent to \$1.52 but fell to DM 3.755 (DM 3.7825), SwFr 3.08 (SwFr 3.1025), FFr 10.66 (FFr 10.72) and Y364.5 (Y367.25). Its trade-weighting was 80.9 (81.2). In SL52375. Page 32

 GOLD rose \$3 to \$502.5 is London, in Frankfurt and Zurich i gained \$5 to \$503.5. In New York the Comex February settlement was \$496.7 (\$507.3). Page 29

• ZINC: three producers have cut posted prices in Europe from \$800 to 750 a tonne. Page 29

• SOVIET UNION hopes to boost bilateral trade with China by 40 per cent this year following a similar rise last year.

● ISRAEL'S foreign debt servicing in the coming fiscal year could reach \$2.5bn, equal to total U.S. aid.

Page 3 ● EEC authorised Greece to place restrictions on 11 products from other EEC countries until the end of

the vear. SPAIN'S current account deficit

narrowed by more than \$900m last year to just over \$4bn.

• ITALY'S Government will shortly consider a plan to cut steelmak ing capacity by 2.4m tonnes. Page 2 • GENERAL DYNAMICS, the U.S. defence contractor, announced almost doubled fourth-quarter net earnings of \$64.1m against last year's \$32.6m on sales of \$1.84bn compared to \$1.23bn. Full year profits rose to \$132.8m from \$124.1m on sales of \$6.15bn against \$4.76bn. • DOW CHEMICAL of the U.S. re ported a 30 per cent drop in net earnings to \$399m last year.

Page 17 • SPANISH Covernment has waived compulsory deposits rules in order to facilitate the rescue of Banco Urquijo, Page 17

● PAN AM, the U.S. airline, reported a larger than expected net loss for the year of \$485m, after a loss of \$272.9m in the fourth quarter. Feature, Page 16

• DOME PETROLEUM plans to sell 10.3m shares, half its stake in Transcanada Pipeline for C\$250m (US\$203m). Page 17

## Germany's jobless total hits 2.5m post-war record

BY STEWART FLEMING IN FRANKFURT

Unemployment in West German surged to a record post war high of almost 5m in January, posing a major challenge to the right of centre coalition headed by Dr Helmut Kohl in the approach to the general election on March 6.

The increase, which takes the un-employment rate to 10.2 per cent compared with 9.1 per cent in December, is much sharper than had been widely expected. And there are fears in the Government that the figures for February may be

Government ministers moved quickly in an attempt to reduce the electoral threat. Dr Kohl called on he West German Trades Union Federation to work with the coalition Government of the Christian Democrats, Christian Social Union. and Free Democrats to overcome the unemployment problem.

He suggested that the unions traditional supporters of the rival Social Democrats) join discussions with the Government and the employers on tackling unemployment.

But Dr Kohl claimed that signs of

BY OUR FRANKFURT CORRESPONDENT

merge with the French electronics

company, Thomson-Brandt, Grun-

dig said that six of its factories

would be affected by the redundan-

cies. One of them, in Dachau would

Grundig said that in recent

els at these works above its imme-

the Christmas period but also be-

cause of the employment situation

in the country.
"A vital consideration, too, was

that the planned co-operation with

Thomson-Brandt - in particular

BY JAMES BUCHAN IN BONN

German industrial group that is Eu-

rope's largest private steelmaker, reported net losses in the year to

last September marginally down

from DM 68m to DM 66m (\$26m).

Industrie within the capital goods

division and "double-figure" profit

to Budd during the year.

managed to increase sales revenues steel or (excluding intra-group) by 9 per Krupp. cent to DM 30.6bn.

diate needs, partly on account of ment.

be closed.

an attempt to increase the pressure employees and above all through for early approval of its plan to the mass-media, the board of the

months it had kept employment lev-sidiary, Telefunken, could also have

with its German subsidiaries - dig added that its cautious planning

In a year when operations were mann pressed the Bonn governbadly hampered by difficulties at ment for "material backing" for a Thyssen's main U.S. subsidiary.

Thyssen's main U.S. subsidiary. new crisis plan, which envisages The Budd Company, the group the merger of the steel and special

A good performance by Thyssen strongly with his tempered opti-

on steelmaking were wiped out by the draining of more than DM 350m • Steel: Still accounting for 24 per

Thyssen will pay a dividend of division came back from operating DM 2 per DM 50 share, the level set loss of more than DM 300m to a

in 1980-81 and half the payout of the small profit in 1981-82, thanks to

Dr Dieter Spethmann, chief ex- collapse in domestic and foreign de-

ecutive, said that in the last quarter mand since then has meant a 30 per

of the 1982 calender year, monthly cent decline in steel production and

sales were down an average of 12 a 26 per cent drop in sales in the

Thyssen losses continue

weakness in the economy.

ures showing a sharp rise in new in- after the general election - a move dustrial orders in the Federal designed to protect companies if Republic in December. designed to protect companies if they feel the election results are un-

It is the second consecutive month in which figures for new orders, a rough forward indicator of economic activity in the industrial sector, have increased.

In November and December new orders were up by 7.5 per cent in real terms compared with the previthe domestic market where orders were ahead by 10 per cent.

Foreign orders were down by 0.5 per cent in this period, partly because of a hefty 5.5 per cent fall in

However, it is generally thought that the rise overstates the underlying strength of order books. The ex-Herr Josef Sting I, president of piry of the Government's invest-the Federal Labour Office said un-ment subsidy at the end of the year employment had risen sharply in is one factor which has encouraged spite of the mild winter weather, an companies to bring forward orders increase which reflected continuing which might otherwise have been postponed until the new year.

In addition, in some industries ora revival in economic activity this ders are being written with a clause year were appearing. He cited fig- which allows them to be cancelled

Grundig pushes merger

GRUNDIG, the West German consumer electronics concern, yester-day launched a bitter attack on politic company said. It added: "Better attack on po

ticians, trade unions and the media, cause the negotiations with the blaming them collectively for its decision to make 2,000 of its 30,000 sixely influenced through political amid widespread confusion and

In a move which will be seen as the works councils, the reaction of Thomson-Brandt completing its ac-

company must now plan for the

1983-84 financial year on the basis

funken consumer electronics sub-

had a positive impact on employ-

plan for much reduced sales, parti-

cularly in the video-recorder sector.

This, together with technical

changes in production, meant that

fewer workers were needed. Grun-

THYSSEN, the diversified West 1981 and there were double figure compared with the same 1981 peri-

Thyssen Industrie.
In the face of the catastrophic

state of the West German steel in-

dustry since last summer, Dr Speth-

steel operations of Thyssen and

mism 12 months ago, Dr Speth-mann pointed to weaknesses in all

cent of the group's sales, the steel

higher steel prices. However, the

In remarks that contrasted

declines in all divisions, except od.

factors, by the trade unions through speculation about the prospects of

of the sales prospects of Grundig and Robert Bosch playing some - alone."

and Robert Bosch playing some - albeit unidentified - role in Grun-

Grundig said the recently post-poned merger with the AEG-Tele-Brandt and the Dutch electrical

Instead, the company now had to jority control of the company, to

concern. Philips.

ment yesterday.

as 2,000 jobs are cut

On the other hand, signs of a revival of demand are not limited to the investment goods sector. Both consumer goods and production goods orders in the domestic mar-

ket have also risen. But most economists are conous two months. The increase was vinced that the West German econentirely the result of the strength of omy will show no overall real growth this year even if a slight recovery sets in towards the start of

Moreover, even strong growth is not expected to result in a substantial reduction in unemployment in

the next few years. Unemployment in Norway, until recently almost negligible compared with levels in the rest of Europe, is now at a post-war high. The reached 67,600 in January, more than 4 per cent of the labour

Continued on Page 16 Moscow 'trying to influence vote', unemployment rises

quisition of control of Grundig.

Discussions have been held this

week about the possibility of the

West German companies Siemens

Behind these considerations lies

the widespread political opposition

to the French concern taking ma-

which Grundig referred in its state-

Thorn-EMI may build JVC televi-

sions, Page 16

Special steels: A similar collapse

in demand, and a sharp increase in

imports, caused sales in in this divi-

sion almost to stagnate. In the last

● Capital goods: Rationalisation at

Thyssen Industrie, whose domestic

operations largely consist of units taken over from Rheinstahl in 1973,

contributed to DM 165m in pre-tax

earnings. However, the DM 5.7bn of

orders in hand at the end of Sep-

tember at Thyssen Industrie, is

shrinking in the face of weak do-

• Steel trading and construction:

Weak demand for steel products in

the U.S. undermined a "satisfacto-

ry" result for the division in 1981-82, but Dr Spethmann hoped that the

lower sales in the last quarter of

calendar 1982 would not prove last-

Lex, Page 16

mestic industrial investment.

booked fell a full 23 per cent.

Background, Page 17

#### to set up free trade zones By David Buchan, East Europe Correspondent, in Budapest HUNGARY has decided to set up

Hungary

customs-free zones for joint ventures involving foreign compa-nies and local enterprises, in a move to boost exports that is vir-tually unprecedented in Com-

The new decree creates "offshore" manufacturing bases. Duty on raw materials and component imports would not be paid if the end product was re-exported and import tariffs would only be levied if the product was sold inside Hungary.

Joint ventures in the new cusioms-free zones will also be freed of many Hungarian regulations on wages, prices, invest-ment and even on cars.

Since the new decree came into force last month one U.S. company has already offered to set up a customs-free joint venture with a local concern, Budayox, for the manufacture of printed circuits, according to Mr T. Antalpeter, director general of the Foreign Trade Ministry. Despite relatively liberal joint

venture legislation, allowing free repatriation of profit and investment. Hungary has so far only attracted 11 foreign joint ventures onto its soil, though it has nearly 70 trading and marketing joint ventures abroad, including four in the UK.

With these new zones "we will at least know that if we are not getting any new joint ventures, it is due to the poor world business climate, not to Hungarian obstacles," Mr Antalpeter said.

in return for a \$600m IMF standby loan, Hungary has this year put itself under an IMF programme whose main goal is a 600m surplus on current account for the country.

This would entail increasing this year's trade surplus to \$1bn, pared to \$700m in 1982. Hungary feels it needs to attract more tern co-operation in increasing its exports to markets outside the REC. Sixty per cent of its con vertible currency earning exports go to the Common Market, but Hungarian officials complain of growing protectionism there.

There are around 400 freeports or free trade zones in the world, including Hong Kong, Hamburg, Panama and Miami among the biggest. In the Far East, they are believed to have created over 200,000 jobs. Last month, it was reported that Yugoslavia was about to establish one and that China was considering the idea.

## **BNOC** will backdate any oil price cuts

BY CARLA RAPOPORT AND ROGER MATTHEWS IN LONDON

North Sea crude, has told suppliers mined by price." that any cut in the oil price is likely to be backdated. This is a move designed to prepare suppliers for low- of oil from the North Sea this week er revenues and to ease the pres- and diverted a ship en route to the sures from customers who are cla- North Sea back to Europe. mouring for an immediate cut in

D 8523 B

Officially, the company will state persistent reports that it had con-only that negotiations with custom-tracted to buy 900,000 barrels of oil ers and suppliers are continuing. Major suppliers said yesterday, however, that BNOC had establish-ed the notion of backdating a price cut, possibly to February 1, in order to put off an immediate price cut company has been buying about which many fear could undermine the international oil market.

will complete its talks in a week or counts were being offered. two, further underlining the widelyheld view within the industry that oil prices will fall around the middle of this month.

BNOC's move, however, did not go very far towards placating many large customers yesterday, who want the official price of North Sea oil, now \$33.50, to fall more towards the spot market price of around \$29.

Gulf Oil, one of the U.S. majors, esterday raised the possibility that it might cut back its liftings of oil in the North Sea if the price did not fall soon. "We are still in talks," a Gulf executive said last night, "but

BNOC, Britain's lead trader of our lifting volumes will be deter-Industry officials said last night that Guif had turned down a cargo

> In Tokyo, the Mitsubishi Oil Company refused to confirm or deny tracted to buy 900,000 barrels of oil from Kuwait at a discount of nearly

\$4 from the previous \$32.50 a barrel. Reports said that Mitsubishi expected to take delivery of the oil towards the end of this month. The 27,000 b'd from Kuwait under longterm contracts. Kuwaiti officials de-It now appears that the company nied earlier this week that dis-

Further indications of growing pressure on Nigeria to reduce its prices came in a statement from Mr Alex Ekwiieme, the vice-president. He told Nigerian newspaper editors yesterday that no oil had been exported for the past five days. Nigerian output dropped last month to an estimated 800,000 b/d.

Mr Marc Van Nguema, the secretary general of the Organisation of Petroleum Exporting Countries (Opec), said yesterday during a visit to Venezuela that there would not be just a single response to the

Continued on Page 16

## Fraser decides snap election in Australia

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AUSTRALIA will hold a general

Mr Hayden's successor, Mr Bob Mr Fraser called the election be-Hawke, is a former president of the cause of what he said was a "conopponent in a contest that will be Government's wages pause. bitterly fought.

The stock market reacted violent- been a major cause of our economic ly. The all-ordinaries index fell 17.5

Investors are worried by uncerelection on March 5, in which the tainties over Labor's economic prokey issues will be wage inflation, gramme. The greatest concern inand economic management.

In a day of drama that rivalled the sacking of the Whitlam Labor

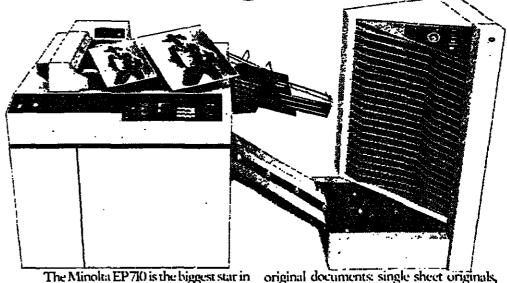
The Liberal National Party coali-

Government in 1975, Mr Malcolm tion holds 73 seats in the House of Fraser, the Liberal-National party Representatives, to Labor's 52. To coalition leader, yesterday an- gain office, Labor needs an across nounced a double dissolution of the board swing of about 1.5 per Parliament. At the same time Mr cent. The Senate is already con-Bill Hayden stepped down as leader trolled by Labor and the Demo-

Australian Council of Trade Unions certed attempt" by the unions, (ACTU) and will prove a formidable backed by the ALP, to wreck the "Excessive wage increases have

Continued on Page 16 points (3.2 per cent) to 527.7 with a far bigger fall of 6.4 per cent in the Hawke profile, Page 3; Editorial Metals and Minerals index.

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over electoral crisis . . . . . 3 report, prices . . . Section III

per cent on the equivalent period of last quarter of the calender year

Nigerian crisis: scapegoats Editorial comment: British 

India: silent Gandhi broods International markets:

## Brussels rejects half Greek import curbs

THE EUROPEAN Commission yesterday turned down about half Greece's proposed package of import restrictions by agreeing to trade controls for the rest of this year on only I1 products, account no for less than 1 per cent of Greece's trade with its EEC partners.

While not wishing to quarrelimith the recent 15.5 per cent devaluation of the drachma, the Commission was not keen to set a tolerant precedent on import controls which might encourage other member states with severe balance of payments problems to seek similar solutions.

Athens had sought approval to hold down to 1980 levels imports of 22 products, totalling just under per cent of commission has set ceilings for imports from all commission has set ceilings for imports from one-third of its total visible trade deficit in 1981—its first trade deficit in 1981—its f

imports of 22 products, totalling just under to per cent of Greece's trade with its Community partners. As well as halving the list products to be controlled, the Commission has the priced the propulsed import also raised the potential import ceilings by basing them on

ceilings by basing them on average imports in 1981-82.

Nevertheless. the Brussels' ings are: sports shoes 340,000 decision is an acknowledgement of the Greek case that some of its industries—which are mostly based on very small units—were suffering serious damage because of import penetration 5,500; iron baths 1,200 tonnes; from other FEC countries and porcelain laystories 2,000.

from other EEC countries and porcelain also third countries. porcelain tonnes; eig According to the Commission, malted milk 2,000 tonnes; Greece's defici: with its Com-spirits 8,000 tonnes.

#### Commission unveils plan to boost machine tools

sector much more competitive internationally and to ensure that producers can take full advantage of the Community's internal marke:

Its proposals range from fresh financial and research support to much greater har-monisation of standards by such large purchasers as the European aircraft and motor

The EEC machine tools ventures,

THE EUROPEAN Commission industry is a world leader, yesterday unveiled a 18-point accounting for some 30 per plan for revita ising the EEC's cent of all such output and machine tool; sector. It envisages a range of measures to be launched during the first half of this yeir and is to be the Commission, however, interpretable to the Council identifies the production outside the Commission, however, interpretable to the Council identifies the production outside the Council identifies the production output and experience the production output and machine to the council identifies the production output and machine tools sector. It experiences the production output and machine tools sector. It experiences the production output and machine tools sector. It experiences the production output and production output and machine tools sector. It experiences the production output and production output half of this year and is to be by the Commission, however, proposed shortly to the Council of Ministers.

The aim is to make the trends.

Commission has set ceilings for imports from other EEC countries and authorised a surveillance system when the goods

are imported from third countries, except in the case of

porcelain lavatories 2,000 tonnes; cigarettes 750 tonnes;

sports shoes.

It identifies in particular Japan's accelerating export success in numerically con-trolled machine tools. The Commission yesterday said it will send a specialist mission to Japan in May to study technology transers under which EEC companies might acquire advanced Japanese know-how and participate in joint

## EEC goes to Gatt over U.S.-Egypt flour deal

MR GEORGE BUSH, the U.S. Vice- around the so-called "zero option" President, was told in Brussels yesterday that the EEC has started legal proceedings under the General Agreement on Tariffs and Trade (Gatt) against the U.S. that could further strain transatlantic rela-

Mr Bush was in Brussels en route

in medium-range nuclear missile disarmament negotiations currently being conducted with the Soviet

In talks with Mr Bush, M Gaston Thorn, the European Commission President, made it plain that the for Geneva, the final stage in a Eu- EEC viewed the recent subsidised ropean tour designed to stress the sale by the U.S. of wheat flour to unity inside the Nato alliance Egypt as a provocation

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Dated: February 4, 1983

## Why Pravda wants Russians to eat more greens

BY ANTHONY ROBINSON IN MOSCOW

PRAVDA yesterday dis-covered the greenhouse and, in so doing, promised a new era of fresh fruit and vegetables in winter for the long-suffering Soviet consumer.

A front-page editorial in the Communist Party daily called for a programme aimed called for a programme aimed at surrounding gas pumping stations, factories, power stations and other large-scale waste heat producers with acres of glass to supply towns with vitamin-rich fresh

It quoted a recent speech hy Mr Yuri Andropov, the Soviet leader, to workers at the Odzhonikidze machinetool factory in Moscow, where he called for both higher

Greenland's

**EEC** move

urging full agreement on a trade and fishing regime as a

condition for allowing Green-

land its special status,

Izvestia switch

Poland bars UPI

Spanish deficit

The Polish Foreign Ministry yesterday ordered United Press International to suspend news

gathering activities in Poland

and withdrew the accreditation

of its one remaining correspon-dent in Warsaw, AP reports.

Spain's current account

deficit narrowed by more than \$300m last year to just over \$40n, according to preliminary estimates by the Bank of Spain,

writes David White in Madrid, On the basis of results up to September, the trade deficit for

the year is estimated at \$9.26n, \$877m less than in 1981. This

is partly offset on the current

account balance by a surplus of around \$3.7bn in services and by transfers from abroad.

quality and lower production costs, citing the production of good-quality, low-cost winter greens as a typical

case.
At the same time, however, At the same time, however, Pravada also revealed how distant the prospect was by calculating that there are only 2,800 hectares of heated glasshouse in the whole country to satisfy the fresh vegetable needs of 270m people. Also, there are no convoys of juggeraants driving up from the south with ing up from the south with fresh supplies of the kind to which Western consumers are

Indeed, nothing contributes more to the length and dreariness of Russian winter

than the lack of fresh vegetables—apart from the occasional carrot and onion and the ubiquitous kapusta

(cabbage).
The Soviet tomato and its sensitive companions, the cucumber, the radish and the lettuce. have traditionally been the first victims of winter, and disappear from state shops overnight after the first front. In the absence of locally produced fresh vegetables, the main sources of winter

supply for Moscow and other cities are the itinerant Georgians, Azerbaijanis and others from the Black Sea coast region. Naturally, the cost of the

air ticket, accommodation and, even more important, the bribes, which they have to pay to a well-oiled network of ticket sellers, baggage handlers, policemen and pro-tectors are all included in the

cost of their fresh, or usually somewhat wilted produce. Yesterday, for example, fresh tomatoes from the Cas-plan Sea were on offer in the central market for 15 roubles a kilo or 13 a kilo for small and misshapen ones. There was no sign of fresh cucumhers, but huge radishes the size of a man's forearm were selling at 3 roubles a kilo. The average wage is 180 roubles (£163) a month.

announced his war on corruption and indiscipline, the supply of fresh vegetables from the south, whose personal export from the area is illegal, has slowed noticeably. It will be some time, how-ever, before Pravda's green-houses fill the gap. For Pravda cautioned that there

Pravda cantioned that there was more to fresh vegetable production than glass and hot water, and called on the Agricultural Equipment Ministry to speed the production of small tractors and other specialised equipment needed for weeding, planting and spreading fertiliser

• Mr Andropov (right):



Italy may

steel jobs

By James Buxton in Rome

shed 16,000

THE Italian Government will shortly consider a plan prepared by the state steel corporation. Finsider which envisages a cut of 2.4m tonnes in Italy's steelmaking capacity and the loss of 18,000 jobs by the end of 1887.

If approved and implemented

approved and implemented, the plan would mean the first

substantial capacity and work-force reduction in the Italian steel industry since the world

steel industry since the work steel crisis began in 1974. Until last year, the steel workforce had fallen by less than 1 per cent and capacity has actually increased slightly over the eight years.

stightly over the eight years. The plan will be reasonably good news for the EEC Commission, which has been pressing Italy to cut its capacity along with other European steel producers in order to match drastically reduced demand. Finiales's

reduced demand. Finsider's last plan for cuts, presented in October 1981, envisaged

## Kohl says Moscow trying to influence vote CHANCELLOR Helmut Kohl in the hearts and souls of the the first sign of a Soviet no," vesterday accused the Soviet West German people he said. But Nato policy allowed

supported yesterday accused the Soviet West German people Union of attempting to sway the Moscow's failure so fa Union of attempting to sway the Moscow's failure so far to sub-result of the West German mit at Geneva its proposal of general election rather than last December—that the Soviet European Commission yesterday came out in favour of tolerating Greenland's with-drawal from the EEC but urged member governments to set a high price before satisfying its demands for Overseas Territory Status, writes John Wyles. Last February, Greenland voted 52
per cent in favour of withdrawai from the Community
The Council of Ministers is urged by the Commission to agree to Denmark's request that Greenland should become the community as a process of the community and the community are processed the opinion that the U.S. their decisive phase after the March 6 election. He also ex-pressed the opinion that the U.S. pressed the opinion that the U.S. mediate-range missiles in the would make no new offers until European theatre as a condition an overseas territory able to enjoy free access to the EEC for its industrial products, sub-ject to normal trade safeguards. However, fisheries is the only issue of real importance to both sides and the Commission is

negotiating seriously with the intermediate - range missile U.S. at Geneva over inter- arsenal in the European theatre mediate-range nuclear missiles. be reduced to the level of the Speaking at a conference on French and British nuclear security arranged by his forces—supported this argu-Christian Democrat Party, Herr ment, Herr Kohl said. Kohl said he believed the The "desirable solution," Geneva talks would only enter he contended, was the U.S. proposal that the Soviet Union should dismantle all its inter-

for Nato foregoing deployment Herr Kohl quoted an observer of missiles in West Germany as having argued that the and other West European counof missiles in West Germany as having argued that the and other West European counsidered Moscow would elimin. Soviet Union, by its public tries from this autumn. Soviet Union, by its public tries from this autumn. The indicated Moscow would elimin yesterday. The contained in lette offers on intermediate range missiles, was more interested "dropped like a hot potato at dent, Mr George Bush, said Socialist parties."

for a step-by-step approach towards this goal, Reuter adds: Herr Hans a common front in nuclear mis-Dietrich Genscher, the West sile negotiations in Europe. German Foreign Minister, yes-terday held out the prospect of Nato scaling down its missile deployment plans in Europe in step with large cuts in Soviet

speaking in Geneva before the 40-nation committee on disarmament, Herr Genscher, who is also leader of the FDP party, said the alliance was ready to review its deployment proreview its deployment pro- weapons, officials of two of gramme if Soviet negotiators Japan's opposition parties said

yesterday that his consultations with Nato representatives convinced him that the alliance remained united on the need for Mr Bush, on the third leg of a seven-nation European tour. called on representatives of Nato's 16 member countries for resolve and unity on the issue as the only way to convince

yesterday. The guarantee was contained in letters sent to the Japan Socialist and Democratic

## Chirac announces cable TV plan for Paris

BY DAVID MARSH IN PARIS

M JACQUES CHIRAC, Mayor government. Rome confidence vote of Paris, yesterday enthusi-astically enrolled under the The Italian Government may face a vote of confidence early next week over its action in removing from office the chairman of ENI, the state energy company, writes James Buxton in Rome.

Pyotr Alexeyev, 70, has been replaced as editor-in-chief of Izvestia, the Soviet Government newspaper, by the newspaper's former chief editor, Lev Tolkunov, 64, the newspaper announced yesterday, AP reports from Moscow.

for television, radio and video declarations about letting information systems, and is individual municipalities take likely to be by far the most important component of the By taking speedy action. Socialist government's overall M Chirac hopes to allow the most believision plan arrangement.

sponsibility for the new pro-grammes would be shared with The Ministry of Posts and Telecommunications, which is Parisian newspaper groups, astically enrolled under the technology rebanner of the technology revolution by announcing an ambitious plan to wire up the capital for cable television.

The project aims to connect given in "wiring-up." But Mr strong role for the city authorities too, M. Chirac—whose flair for publicial fibre cables were applied by the number of advertising the surface of the city and prize the contractions. for publicity is amply portrayed by the number of advertising placards around the capital bearing his beaming face—said that the Paris municipality

the written press." Cabling will take place gradually, with 10,000 homes or other centres aimed to be wired channels. The network would grow to 140,000 by 1985 with another 360,000 connected over the next three years, ready to hit the 500,000 mark by the 1989 Universal Exhibition in Paris,

The government's plan for wiring up the whole of France aims to bring 1.4m homes within reach of cable television by 1985. The projects will be a shot important component of the Socialist government's overall cable television plan announced last November.

M Chirac hopes to allow the new Parisian television services M Chirac, as leader of the neo-Gaullist RPR opposition party is an indefatigable launcher of campaigns to keep one step ahead of the M Chirac said editorial re
By taking speedy action. Hat the Paris municipality would have a stake of 34 per in reach of cable television by would have a stake of 34 per in reach of cable television by cent.

He said the cabling project main optical fibre manufaction main optical fibre manufaction. He state and wasting up the whole of France aims to bring 1.4m homes with would have a stake of 34 per in reach of cable television by the said the cabling project main optical fibre manufaction. The country's main optical fibre manufaction away. At last we will have a stake of 34 per in reach of cable television by the said the cabling project main optical fibre manufaction. The country's main optical fibre manufaction away. At last we will have plurality of information, as in glomerates.

in October 1981, envisaged reducing capacity by enly 190,000 tonnes, and has not been approved by Brussels. However, the Finsider plan, which was discussed on Wednesday by IRI, the state industrial holding company which controls the steel corporation, is certain to face considerable opposition from some ministers and from the steel unions. A scheme for steel unions. A scheme for large-scale temporary layoffs last autumn, aimed at reducing output, had to be scaled down sharply in the face of union opposition.

dismissed. The plan envisages total reduction in the steel labour force of 11,000 by the end of 1985 and the loss of a further 5,000 jobs by the end of 1987.

Finsider, which is thought to have lost about L1.400bn (£518m) in 1982, is to ask the

government for a further L1,600bn in funds.

Until recently, Finsider sus-tained a highly optimistic view about steel demand, expecting it to rise by 6 per cent in 1982. In fact, it collapsed dramatically in the

# car industry strife threatens influence of the Socialist administration. M Chirac said editorial replurality of information, as in plurality of information, as in the mationalised CGE, Thomson-Brandt and St Gobain conglomerates. Car industry strife threatens inflation policy By David Marsh in Paris The French Government the Peugeot group, which embraces a dual attack on its anti-braces Citroen and Talbot look the violence was singerpusity with a week, braces Citroen and Talbot look the violence was singerpusity was singerpusity and the nationalised CGE, Thomson-Brandt and St Gobain conglomerates. Finsider's new plan envisages cutting 2.38m tonnes of capacity by closing older and excising a singerpusity affected plant would be Cornigiliano. The most seriously affected plant would be halved to 1.2m tonnes and about one-third of the 6,000-strong workforce dismissed. The plan envisages

THE FRENCH Government the Peugeot group, which emment on the CGT within a week, ment is thought to be on the faces a dual attack on its anti- braces Citroen and Talbot, look the violence was vigorously point of authorising a fresh car faces a dual attack on its anti-inflation policy from the latest strife in the motor industry, shortly to compensate for the the Labour Minister, as "remi-The conflict remained on the financial impact of strikes niscent of terrorist practices." boil yesterday with the large which have already caused lost Citroen plant at Aulnay, near production of more than 50.000 Parls, paralysed by strike cars this year.

The danger comes not only were reported still in hospital from the wage demands of yesterday following violent constrikers—who have been en-couraged by a settlement at the Renault plant at Flins last week well in excess of the Wednesday which left 17 nationalised Renault and privately-owned Peugeot, made by labour stoppages in squidelines.

In the second verbal broadlesses approaching FFr 4bn the general resumption duction there this week. week well in excess of the Government's 8 per cent pay

likely to put up their prices Two Citroen workers at Aulnay

yesterday following violent con-flict—said by management to be sparked by the Communist-led CGT union—at the plant on

the violence was vigorously condemned by M Jean Auroux, This followed the attack delivered by M Pierre Mauroy, the Prime Minister, at the end of last week on the CGT takeover of the trouble-hit Rheims-

dispute which has since been largely defused. The two main manufacturers,

point of authorising a fresh car price rise of 2 per cent, following the 4 per cent increase allowed in October just before the four-months' price freeze A positive aspect of yesterday's developments was the

resumption of work at the Renault Billancourt plant which like Flins was stopped by strikes for most of last month. But part of the Flins plant was still hit by labour stoppages in spite of the general resumption of pro-

## second half of the year.

## France agonises over telecommunications challenge

FOR MONTHS, the French gov- a counter-reaction and end up ernment has been agonising over one of the key elements in its drive for technology-powered growth - the telecommunica-

aric age under the previous government in the late 1970s.

The industry is on the brink of rapid expansion into the new areas of computerised video-information systems. But to clear the way ahead, the Socialist Administration has to resolve a serious structural problem in its battery of state-controlled telephone companies. It centres on the future of CGCT, the telephone equipment company formerly owned by ITT of the U.S., which has been in limbo since being nationalised last

The decision on CGCT— thought to be imminent—is one of the thornlest tasks in the range of industries shake-ups promoted by the Government

ago.

And the affair is made all the more complicated by the need to confront a new challenge. This is the link-up between the U.S. giant, AT&T, and Philips of the Netherlands in telephone switching systems, which will provide stiff competition for the French and the rest of Europe on both home and export marets.
The AT & T-Philips tie-up has

or a common front in elec. M Chavance asked, ronics. CIT Alcatel is emphasising French industry is, however that the door is still open to

adopting a more low-key attitude co-operation between the Philips
—and believes that the two AT & T grouping and European

groups' link could even produce telephone companies, including

promoting European collabora-In an interview with the Financial Times this week, M Georges Pebereau, chairman of

tions industry.

The sector has been one of France's industrial success stories, both at home and in export markets since the country exporters of electronic switching success success and is also one of ing systems and is also one of the interested parties in the discussions over CGCT, said he had
"plenty of sang-froid" over the
AT & T-Philips affair.
The French are emphasising exactly how they are to co-operate. M Pebereau said, however, that if the two reached a formal agreement on selling the

AT & T switching system jointly on the world market, the link would be a danger for the Euro-But he added that the group-ing would need several years to ecome properly competitive.
We don't under estimate them at all, But they have to sign an agreement, adapt their technologies and learn to work together. That takes a lot of time

in our business."

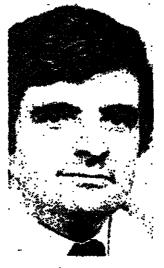
M. Pierre Chavance, CIT
Alcatel's director-general and
M. Pebereau's number two. M Pebereau's number two, argues that the U.S.-Dutch alignment could actually spur greater unity in Europe. He CIT Algatel would favour collaboration on the West German market—where the possibility of a link with Siemens has often been mosted, and in been vigorously criticised since its emergence last autumn by the UK. Spain and Italy. President Francois Mitterrand "What's wrong with putting the as undermining European efforts for a common front in electronics.

M Jean-Pierre Chevenement (right) wants to align the troubled CGCT telephone equipment company with CIT Alcatel, one of the world's top exporters of electronic switching systems, writes David Marsh in Paris. This is that the two companies have not one of the proposals yet reached full agreement on being considered to solve the serious structural. problems facing France's battery of state-controlled telephone companies.

> the French, on the world telecommunications market.
> Somewhat further away from the world stage, the immediate future of French telecommunications will be crucially influenced by two separate government dossiers on CGCT's prospects being studied at the Prime Minister's office this week. The

French telecommunications sector generally suffers from over-capacity as a result of the progressive switch over the last few years from electromagnetic exchanges to electronic systems, which require much less labour to manufacture. less labour to manufacture.

Government officials say that the nationalised Compagnic the industry as a whole has several thousand jobs too many, group, one of the few state-owned enterprises running a several thousand jobs too many, group, owned enterprises running a not the 8,900 employees in the cGCT group—who have asked m Mitterrand to intervene directly in the matter—are hand, is pushing for a link forcibly against leaving the with the other "pole" in French industry with just one monopoly supplier, pointing to



sidiaries are well-equipped technologically, but have faced a drain of cash, contracts and con-

drain of cash, contracts and confidence since being cut loose from ITT.

A decision on the group's future should have been taken by the end of last year. But it has been held up by wrangling between two ministerial power centres—the Research and Industry Ministry under M Jean-Pierre Chevenement, and Posts and Telecommunications under and Telecommunications under the less flambuoyant but no less determined M Louis Mexandeau. The Industry Ministry broadly favours aligning CGCT with CIT Alcatel, which is part of the nationalised Compagnic Generale d'Electricité (CGE)

group.

The likelihood—and the view of both the CIT Alcatel and the Thomson groups—is that the idea of a "rapprochement" between CGCT and Thomson will win on points.

The likelihood—and the view at the Prime Minister's office, who will have to make the decision.

For its part, CIT Alcatel is emphasising that, although CGCT would complement its

CIT Alcatel is clearly well ahead of Thomson competitively. With its world-beating E.10 allelectronic telephone exchange, it won 50 per cent of orders for switching systems last year from the French Post Office, against 35 per cent for Thomson-which has faced serious delays in perfecting its rival exchange, the M.20/25—and 15 per cent

for CGCT.

CGCT was to have manufactured ITT's System 12 electronic exchange, until the French government decided not to incorporate it into its switching network, CGCT could convert its factories to produce the E.10 exchange more quickly than to manufacture the than to manufacture the Thomson-version. A decision to link the group to CIT Alcatel, the Industry Ministry reasons, would strengthen the CGE sub-

would strengthen the CGE subsidiary further on the world
market.

However, it could also force
Thomson, which is making a
loss and faces a host of problems in its other electrical and
electronics areas, to withdraw
altogether from the telephone
sector and leave the field to
CIT Alcatel.

A concentration of power— which could lead to a conglom-erate grouping, "Telephone de France," much-vaunted by some

Thomson-CSF, the main operating subsidiary of the also nationalised Thomson-Brandt group.

The subsidiary of the also at home and on the world market. And it seems his doubts are also shared by the officials are also shared by the

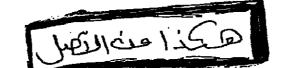
For its part, CIT Alcatel is emphasising that, although CGCT would complement its own activities particularly in the fast-growing information technology sector, it is not particularly keen on any link-up. M Pebereau said his com-pany would have "no objec-tion" if the Government de-cided to link CGCT with the

Thomson group.
Whatever happens, according to M Chavance, CGCT would be likely to keep its identity. Emphasising the shifting nature of telecommunications frontiers. M Chavance said that apart from the manufacture of switch ing systems, CGCT's future would lie particularly in the private telephone sector and "new services"—office technology, video-text and so on which he said was "a market in full expansion." A key factor in CIT Alcatel's reckoning is CGCT's dire finan-cial position. CGCT at the end

of last year appealed to the state for a quick injection of FFr 1bu for a quick injection of Fr'r lbu (194m) to save it from bank-ruptcy. The prospect of taking part in this rescue does not appeal to CiT Algatel or to its remaining private shareholders. "CGCT is not a lame duck." M Pebereau said. "But it will need to convert its factories and solve its financial problems. solve its financial problems. That will take a lot of money

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and a lot of management skill."



The outcome of the elections

interpreted as an emphatic

tions have never been held.

Basic organisational work during elections has almost entirely been done by hired

hands. This is partly due to the belief that Mrs Gandhi's charisma is all that is needed—

an assumption questioned b

Since members of the Congress executive and other

high-level panels are Krs Gandhi's nominees, their discus-

#### **OVERSEAS NEWS**



Hawke . . . faces a brief and bloody campaign

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#### Trial by fire for new Australian Labor chief

By Michael Thompson-Noel in

THE EYEBROWS are arched, the face gaunt and the hair quiffed back like a matinee idol's. He wears a ring, and dresses with the expensive understatement of a racing

tipster. He may well be Australia's next prime minister, for at the end of a convulsive day's happenings—the double dissolution of parliament and the shock resignation of Mr Bill Hayden —Mr Bob Hawke yesterday found himself as unchallenged leader of the Australian Labor

It is a role for which he has been grooming himself all his life. Yet the suddenness with which it was thrust upon him was briefly unsettling, and produced his first mistake in a campaign which will be brief

and bloody. Asked on television whether he had performed a hatchet job on Mr Hayden, Mr Hawke lost his temper, and accused his inquisitor of downright im-pertinence. It was a small enough slip, but in the hour of his triumph, it made him look

In many ways, the bearing of the new Labor leader will prove crucial in the March 5 election, for whereas Mr Hawke is invariably described as Australia's most popular politi-cian, his stability under fire

will be put fully to the test. Mr Hawke has served only to that, he was president of the Australian Council of Trade Unions. He was a national hero Unions. He was a national nero
—a man whose reputation for
settling disputes endeared him
to employers and unions alike.
In most personality polls. Mr
Hawke outscores all rivals, including prime minister Malcolm
Fraser. He is seen as strong,
intelligent, competent, and coucerned with ordinary people.

cerned with ordinary people. Yet in political terms, he is thought to stand for little that is specific; just a vague search for national unity and consensus. In the view of his opponents, he is the siztle but not the steak, a man whose approach smacks of gimmickry without substance.

His father, Clem, was a Congregational minister, his mother, Ellie, a member of the Women's Christian Tem-perance Union. In 1963, Mr Hawke's baby son, born seven weeks prematurely, dled.

Mr Hawke was grief-stricken, and admitted to hospital suffering alcoholic poisoning. By 1980 he was sometimes what his biographer has called "a loathesome drunk — poisoned, savage, a man possessed." He told his biographer " . . . I

He told his biographer ... I said to myself. 'well, bugger it, you'd be better off not drinking. Why don't you give it up?' So I went and washed my hands, and that was it ..." Today, he is a man reformed. He is also articulate, logical, and immensely combative.

Yesterday, Mr Hawke moved as swiftly as possible to defuse the national pay dispute that incited Mr Fraser to call a snap election. He pledged that if Labour won, he would do all in his namer to press for national his power to press for national wage restraint, and attacked Mr Fraser as the "most divisive prime minister in the history of this country."

this country." On most scores, Mr Hawke is a worthy rival for Mr Fraser. But in the heat of a campaign that will probably know no bounds, he will have to watch

#### Geneva talks on Afghan crisis

ISLAMABAD—A new round of indirect talks almed at finding a political solution to the Afghan crisis will be held in Geneva, possibly in mid-April, foreign secretary Niaz Naik said yesterday.

He added that Pakistan is willing to participate in the talks, which are to be held under United Nations auspicies. Naik indicated that Iran may also attend, saying Tehran has shown a "growing and deeper interest" in the UN peace initiative begun last year

## Syrians fear further conflict with Israeli troops in Lebanon

BY PATRICK COCKBURN IN DAMASCUS

increasingly concerned that strengthen the Syrian anti-there will be a fresh outbreak aircraft capability. They are, of fighting with Israeli forces however, a symbol of greater in Lebanon this spring. It is concord between Moscow and convinced that the present talks Damascus. between Israel and Lebanon on Syria has also improved its an Israeli withdrawal will get links with Iran, with which it

but earlier this week, Mr Abdel had sought to mediate between Halim Khaddam, the Syrian Syria and Iraq.
Foreign Minister, emphasised The Syrian Government has that the Israeli withdrawal long regarded Iraqi President would have to be total and said that Syrian security was dependent. that Syrian security was depen-dent on Lebanon's integrity.

same, on the grounds that they ment by Iran to sur will then be in a better position 8m tonnes of crude. to influence events in Lebanon than Israel will be President Assad is also seek-

Soviet equipment in the fight-through barter, but it has ing last June and has recently proved impossible for Syria to received Sam 5 anti-aircraft

THE SYRIAN Government is experts say they will not greatly

nowhere, say diplomats.

Syrian President Hafez alAssad is pledged to pull out his 30,000 troops from Lebanon as 500n as the Israelis withdraw.

Signed a new agreement in January, Although in private Syrian officials play down its significance, their action is a as 500n as the Israelis withdraw.

antipathy as it views Mr Mena-hem Begin, the Israeli Prime The Syrians would like to bring their troops home from Iraq's vital oil pipeline across Lebanon if the Israelis do the same, on the grounds that they ment by Iran to supply it with

domestic consumption, part is refined and then returned to ing to strengthen his hand by Iran, and the rest is sold on forging better relations with the open market. Part of the the Soviet Union. He has deal was that Syria would pay played down the failure of for some of the Iranian crude provide the kind of goods needed by Iran.

Although these missiles, first Mr Ali Akbar Velyati, the deployed in the Soviet Union Iranian Foreign Minister, may in 1963 and each weighing 107 have offered up to \$600m in tons, might threaten high-flying credits to cover the Syrian Israeli reconnaissance and surdeficit in paying for Iranian weillance aircraft such as crude, according to some diplo-

#### Israel's debt servicing bill could reach \$2.5bn

BY OUR TEL AVIY CORRESPONDENT

ISRAEL'S foreign debt servicing of Israeli commercial banks in in the coming fiscal year will the total. of interest alone will reach a the Bank of Israel, the central

Israel's foreign debt at the end of September, 1982 had reached U.S.\$20.1bn, the bank 9 per cent increase being incurred following the invasion of Lebanon in June.

The Central Bureau of Statistics was the family and the family of the family said, with most of last year's

Statistics puts the foreign debt at a much higher level of U.S.\$2.3bn at the l U.S.\$25.5bn. Unlike the Bank of the year. Short-te Israel, the statistics bureau expected to increase includes the overseas holdings \$1bn during 1983.

One cause of the large cost as much as the total \$2.5bn One cause of the large (£1.64bn) in aid which it increase in foreign debt was the receives from the U.S. Payment Treasury's policy of raising Treasury's policy of raising money abroad during the months following the war in anticipation, according to the Jerusalem Post, of possible punitive steps by the American Administration.

The structure of the debt, three-quarters of which is in long-term loans, has also worsened. At the end of December, the short-term loan com-ponent of the total had risen to U.S.\$3.1bn, compared with U.S.\$2.3bn at the beginning of the year. Short-term debt is expected to increase by another

## Mubarak welcomes UK pledge on Lebanon by roger matthews, middle east editor

pledged to use all its influence with the U.S. to secure an early withdrawal of foreign forces from Lebanon, President Hosni Mubarak of Egypt said yester-

Leaving London after two days of talks with British leaders, Mr Mubarak said their views coincided on Lebanon and

THE BRITISH Government has joint delegation coming to the The Egyptian leader also discussed with Mrs Thatcher, the Prime Minister, the Gulf war between Iran and Iraq. Although Egypt has been a major arms supplier to Iraq. President Mubarak said he had no plans to send Egyptian troops to Baghdad, "because this would

views coincided on Lebanon and on the need for progress on the Palestinian issue, which he described as "the core of the whole Middle East problem."

President Mubarak stressed the Importance of the talks between Jordan and the Palestine Liberation Organisation which he said could result in a moth to pace efforts."

Mrs Thatcher had raised the question of greater arms co-countries, said Mr Mubarak, but they had not discussed "the very sensitive issue" of the often-postponed visit to London by an Arab League delegation.

Jonathan Sharp in Bangkok assesses moves towards Thai constitutional changes

## Retreat for advance in Thai system

AFTER weeks of political infighting and rumours of a military coup d'etat, Thailand's King Bhumibol Adulyadel yesterday set the machinery in motion for a special session of Parliament expected to make significant changes to the four-year-old-Thai constitution.

year-old -Inal constitution.

The King signed a royal decree to convene parliament within 10 days after members of the two Thai chambers signed a petition to recall the legislature, which is now in recess.

The net effect of the expected constitutional changes is that Thailand will preserve its quasi-democratic institutions, in which the army has a major role, and arrest moves towards a fully-fledged democracy.

To western ears, this may sound like a retrograde step. But the proponents of change argue that Thailand, which until 1932 was ruled by an absolute monarchy, is still not mature enough politically to stand the strains of full-scale democracy. They may well be right. strains of full-scale democracy.

They may well be right.

Thailand has had 14 elections in
the past 50 years, but has also
had 15 coups, and the latter
have been more effective than
the ballot box in changing Thai
covernments.

Backers of the senate say that although its members are not

although its members are not elected, it gives the government an important element of stability. The elected lower house is so fragmented that it makes the Italian parliament look positively monolithic.

Secondly, a new electoral system designed to favour large parties and thus weed out some of the smaller parlia-

some of the smaller parlia-mentary groupings is likely to mentary groupings is likely to be scrapped. The argument is that even with the new system, there is no guarantee that one party will gain an absolute majority. Chaos could ensue, obliged to step in, and the military might feel

Finally, parliament is likely to discard a provision which to discard a provision which bars government servants, both military and civilian, from holding high political office.

The proposed changes ensure that the Thai military which has a traditional distrust of civilian politicians bears in strong in politicians, keeps its strong in-fluence in That politics.

They may well be right. Thailand has had 14 elections in the past 50 years, but has also had 15 coups, and the latter have been more effective than the ballot box in changing Thai governments.

First, the special parliamentary session is likely to maintain the considerable powers of the upper chamber, the senate, which is a purely appointed body with about two-thirds of its members drawn from the armed forces.

Parliament has to act now because under existing provisions, the senate's powers are due to be automatically reduced points.

Positicals, Recept is started in the politics.

Predictably, several senior military figures have been enthusiastically in favour of convening parliament. Among them mander-in-chief of the Thai army, General Arthit Kamlang-Ek, who is often mentioned as successor to Thailand's self-effacing Prime Minister, General However, Arthit claims he has no political moints of the powerful committee of the Thailand's military figures have been enthusiastically in favour of convening parliament. Among them has been the powerful commander-in-chief of the Thailand's successor to Thailand's self-effacing Prime Minister, General However, Arthit claims he extend to power and the powerful commander-in-chief of the Thailand's parliament. Among them has been the powerful commander-in-chief of the Thailand's successor to Thailand's self-effacing Prime Minister, General However, Arthit claims he endicately in favour of convening parliament. Among them has been the powerful commander-in-chief of the Thailand's self-effacing Prime Minister, General However, Arthit claims he has no politically in favour of convening parliament. Among them has been the powerful commander-in-chief of the Thailand's self-effacing Prime Minister, General Prime Minister, General However, Arthit claims he has no political ambition and publicly supports Prem, who despite a reputation as a ditherer, has proved to be one of Thailand's minister, General Prime Minister, General Prime Minister, General Prime Minister, General Prime Mi

India's Congress (I) party needs major reforms, writes K. K. Sharma in New Delhi

## Silent Gandhi broods over electoral crisis

Indira Gandhi's Congress (I) Party wrested control of the organisation in 1979, its defeat India last month could be the first in a series of such setbacks.

Local elections in Delhi to-

morrow and in the troubled north-eastern states of Assam and Meghalaya on February 14 will show whether the South India debacle is part of a national trend. If defeated again, the question will arise whether Mrs Gandhi's Congress (I) has a future in the face of new political forces, notably the emergence of strong regional

Mrs Gandhi has kept un-characteristically silent about the defeats. But she is under-stood to be deeply frustrated by the performance of her party-chiefs — "Serves us right," she is reported to have said on hearing of the result. She must also be deeply worried about the calibre of the people she has to draw on. But since the decision to appoint them was hers in the first place, she must shoulder part of the blame herself and indeed she seems willing to do so.

The Congress, both in its original form and as Mrs Gandhi's party, has ruled India virtually without break since independence with a brief interval of power for the Janata in 1977-79. It cannot be pushed

aside lightly.

There is no viable national alternative because of the Indian opposition's internicine quarrels. But the recent emer-gence of regional parties could threaten the country's tenuous unity and weaken the federal

Before Mrs Gandhi took con-

National Congress, which won 1970s, the party held sway the battle for India's indepenthroughout the country because dence in 1947, is facing its it took under its wing all shades of opinion. This discouraged With its character greatly the growth of both other parties changed after Prime Minister and regionalism. In a sense, the Congress projected a national consensus, in a sense i very embodiment of India.
The disparate element

which made up the Congresssuch notables as the saintly Mahatma Gandhi, the visionary Jawaharlal Nebru and the miliresulted in a curious mixture of ideals and policies which the modern Congress (1) still

include

These

Gandhian

THE ARMY was yesterday deployed in the

Mangaldoi district of Assam state following

rioting the day before in which two people were killed. Violence in the state, which

increasing, K. K. Sharma writes.

will hold elections on February 14 has been

Opposition parties with the exception of the Communists, have announced they are boycotting the elections because of the

explosive situation and there are mounting

pressures on Mrs Gandhi and the Election Commission to postpone the polling.

In the past few days, attempts have been made to blow up a train, burn Government buildings, smash shops and demolish bridges.

Campaigning has been low key because of

Socialism (a combination of state control, private enterprise tion to secularism in a country made up of many religions, a belief in India's unity in spite of obvious disparities, and an idealistic foreign policy, which eventually led to non-align

all-India Congress committee. forced to play second fiddle to family party.



Indira Gandhi . . . said to be frustrated about party chiefs' performance

dominated by Mahatma Gandhi and Jawaharial Nehru, overcame overwhelmingly

three years.

hold elections.

Mrs Gandhi dourly faced the in the south has been widely prospect that she could be dislodged by seasoned politicians. indictment of Mrs Gandhi's But she emerged victorious methods of political managein successive battles with them. ment, of her supression of In the process, she earned her participative decision-making In the process, she earned her participative decision-making reputation for a ruthlessness and of the calibre of courtiers and tenacity which she retains, she has promoted. Her sup-She also surrendered many porters believe this to be an traditions of the Congress which over simplification. she had inherited.

he had inherited. The dominance of Mrs
The party's democratic struc- Gandhi and her chosen leaders ture was eroded as Mrs Gandhi in the Congress (I) is apparent tried to consolidate her position from the fact that internal electried to consolidate her position as supreme leader of the Congress and the country. This was reinforced during her emergency rule from 1975 to 1977, when her controversial son, the late Sanjay Gandhi, who had no grooming in the Congress's traditions, emerged as the dominant figure in Indian poli-

commant ngure in indian poli-tics after his mother.

The ascendancy of Mrs Gandhi's dynastic principle, which she still cherishes, meant difficulties the creation of what was cratic struc-virtually a new party, which still idealistic foreign policy, which eventually led to non-align because of its democratic structure. The change set in soon after Mrs Gandhi became Prime practicable. But the party leaders reached consensus after often acrimonious arguments in the Congress's elected bodies, like its working committee. Prime because of its democratic structure. The change set in soon after Mrs Gandhi became Prime Minister in 1966, possibly because she did not have often acrimonious arguments in the Congress's elected bodies, like its working committee. She faced an immediate challenge from powerful leaders in the Congress of its democratic structure. The change set in soon after Mrs Gandhi became Prime Minister and her family. Since dissent is rarely, if ever, to leave the "l." fittingly, stands for Indira, not India — is Mrs Gandhi's personal fieldom; a one-woman, or at best, a one-dail-India Congress committee.

the tense situation. A general strike and a

blockade of roads is planned on Monday. The violence, which has so far lost the

country near fibn in lost crude and tea pro-

duction, is being organised by students. They

have been demanding the expulsion of "foreigners" — mostly Bangladeshis and Indians from West Bengal—for the past

The agitation prevented elections from

being held in Assam in 1979 and the state has been under President's rule, or direct

government from New Delhi, since then. President's rule could not constitutionally be extended further, hence the decision to

sions inevitably lack substance and tend to be uncritical.

Mrs. Gandhi's party thus appears to contrast sharply with the idealism of its predecessor. Her appointment of her son. Rajiv, to a senior post as one of the party secretaries may rein-force this view in the eyes of her critics.

The major changes which appear necessary require immediate action. A firm promise of early organisational elections throughout the country Army deployed in Assam ahead of poll elections throughout the country and to the posts of the party's senior office bearers would show that Mrs Gandhi intends to

initiale reforms.

The task Mrs Gandhi faces is enormous in view of the fact that she has less than two years to complete it. She needs to democratise her Congress, find Congress governments in the the states and her own federal government, and tone up the administration to demonstrate that she has the interests of the country as a whole uppermost in her mind and not just those of the Gandhi family.



To those of you who made it your business to fly Cathay Pacific last year, thank you for voting us:

## 'BESTAIRLINE TO THE FAR EAST."

In a recent poll conducted among regular business travellers by 'Executive Travel' magazine, Cathay Pacific won the category entitled 'Best Airline to the Far East'.

ABU DHABI AUCKLAND BAHRAIN BANGKUK BUMBAY BRISBAKE-DUBAI FUKU (KA-HUMGECMG-JAKAPTA KUTA KINARALU KUALA LUMPUR LONDON MANGLA-MELBOURNE SAKA PENANG PEKIH PURTMORESBU (SBOOK SHANGHAI) SINGAPORE (SYLDEY TAPI) TOKYO,



BY OUR BLIENOS AIRES CORRESPONDENT

ARGENTINA'S five main political parties have called on the military Government to fix a timetable for elections immediately and hand over power to civilians by October 12 at the

The multi-party commission, a loose coalition of Peronists, Radicals, Christian Democrats, the Intransigent Party and the Movement for Integration and Development, made its demand in a statement issued on Wednesday night.

The document's publication constituted the opening shot of a renewed political battle between the parties and Argentina's ruling military junta. The resumption follows a hull during January, while most politicians, government officials and senior military officers were on holiday.

ment's economic policies and a list of 11 political demands. President Reynaldo Bignone has promised to hold elections by November 6 and hand over power about 60 days after poll-ing. But he has so far avoided being pinned down to exact

guidelines for a new electoral

also defined the party's position on the Beagle Channel dispute with Chile, reiterating support for the Pope's mediation efforts and a peaceful solution to the conflict, satisfactory to both

Diplomats said the papal The junta of army, navy and mediation is basically complete, air force chiefs held its first and a final agreement is only meeting of 1983 on Thursday being held up by Argentina's and was expected to consider planned return to democracy

#### Bank creditors start to scrutinise Chile's economy

bank creditors have begun a been sympathetically received careful scrutiny of the by representatives of the country's economy to determine country's creditor banks. more precisely its need for new loans and rescheduling of maturing debt.

Chile has asked for some \$2.8bn (£1.86bn) in private sector debt maturing this year and next to be rescheduled. In addition, Sr Carlos Caceres, the Central Bank Governor, said in Santiago this week that the country needs new loans of \$913m to bolster its depleted re-

of creditor banks met in New York yesterday to consider the request. As yet, no response has been given to Chile, but the banks may meet with senior Chilean government offi-cials next week. Sr Caceres said that Chile's

document, which contained harsh criticism of the Govern-

dates. The President hopes to disleaders during a round of talks in February, along with the

The multi-party document

and was expected to consider planned return the multi-party commission's later this year.

BY PETER MONTAGNON IN LONDON AND MARY HELEN

CHILE'S leading commercial up to April of this year had

He indicated the Government would continue its policy of refusing to act as a guarantor of private sector loans, but was extending a kind of moral support to private banking and in-dustry, during talks with banking representatives in New York.

Asked if Chile's creditor banks with outstanding loans to private Chilean banks and enter-Caceres said that direct foreign loans to private-sector entities had been made at the lenders'

Chile's private sector accounts for 64 per cent of the country's \$17bn foreign debt.

Sr Caceres said that Chile's This high proportion is likely request for additional credit and a 90-day suspension of principal payments totalling \$264m more complex

#### U.S. deficit fears 'may be excessive'

By Anatole Kaletsky in Washington

THE DEFICIT outlook for the U.S. economy may not be quite as bad as that projected by the Reagan Administration in this week's budget, according to the annual review of the budget published by the Congressional Budget Office yesterday.

The CBO, which is the principal source of official economic advice to the Congressional

advice to the Congressional budget committees, predicts that the fiscal 1984 budget deficit will be \$194bn (£129bn) rather than the \$208bn projected in President Reagan's budget message.

By 1988, the CBO predicts a
deficit of \$267bn if there is no
change in current tax and
spending policies. President
Reagan predicted a \$300bn 1988

In a reversal of their usual roles, the CBO's forecasters are more optimistic than the economists in the White House The CBO predicts an increase of 2.1 per cent in GNP in 1983 as a whole and a 4 per cent growth rate between the fourth quarters of 1982 and 1983. President Reagan, in a forecast which his advisers said erred deliberately on the side rates of only 1.4 per cent and 3.1 per cent respectively for

these periods.

In what may prove to be an important clue to Congressional attitudes about the Federal Reserve Board's monetary policy, the CBO projects a per cent growth rate of the M-2 broad money supply figure, in line with the Fed's current

of caution, projected growth

#### **GE** traces cause of 767 engine wear

By Paul Taylor in New York GENERAL ELECTRIC said yesterday that it has traced the cause of premature bearing wear in GE engines used on

some Boeing 767 aircraft.
The problem, caused by the breakdown of the aluminium oxide coating on four engine seal rings, could be easily solved. GE said. It will take about four weeks to remove and refit the seals used in 76 engines bought by American Airlines, Delta Airlines and Airbus

Reginald Dale profiles the controversial U.S. Ambassador to the UN

## The prime of Ms Jeane Kirkpatrick

FOR THE NEXT ten days or so, Mrs Jeane Kirkpatrick, the U.S.'s first woman ambassador Democret, became inclusioned with former President Jimmy Crief for what she saw as his to the United Nations, will have a good chance to take stock of controversial political anti-growth, anti-business attiher controversial political theories at close quarters. At President Ronald Reagan's be-hest, she set off yesterday to see how strongly the flame of tudes and his generally namby-pamby approach to the world. She needed no persuading to join the Reagan team, moving swiftly to the UN post.

democracy is burning in five Latin American countries— Panama, Costa Rica, Honduras. El Salvador and Venezuela-and assess how far it may need further coaxing from Washing-Mrs Kirkpatrick has held one

Mrs Kirkpatrick has held one of the country's top diplomatic posts, and a seat in the Reagan Cabinet, for two years now, but she has shown little sign of shaking off a life-long academic career as a political scientist. Waving her glasses to emphasise a point, the impression she gives her audiences is more that of an Oxford Don delivering a philosophy lecture than a power player in the daily cut-and-thrust of the international arena. international arena.

Ironically, it was as an academic that she qualified to be-come a diplomat. Shortly before his election, President Ronald Reagan was shown a learned article she had written in Com-mentary magazine entitled "Dictatorships and Double Stan-dards." It reflected his own thinking perfectly. To simplify the main theme, it was that there is a vital distinction between left-wing totalitarian states, which are evil, and right-wing authoritarian states, though by no means midable intellect in more chance to learn any more about it now." She is referring to turer, professor and author a celebrated incident last summer when Mr Haig said that the commander-in-chief (him-which, though by no means midable intellect in more self) did not communicate

with Argentina in the conflict, as many suspect She does not go down too

of the Falklands came through.

for negotiations between Britain and Argentina on the

islands' future, in the teeth of UK opposition. Mrs Kirkpatrick

insists that U.S. policy has been thoroughly consistent

throughout. She refuses to dis-

cuss, however, whether she personally would have sided

volunteered the following impressions of her personality following recent public appearances in Washington: "Vain." "domineering." "selfisn." "boring " and "arrogant."

To most U.S. ears, her accent sounds pretentious, as does her use of words like "actually" and "au courant" and a In British eyes, she is most closely associated with Argenand "au courant" and a heavily stressed "of course." She has eliminated all trace of the south-western drawl of tina-one of the right-wing authoritarian states which fits so nearly into her thesis, and the subject of a dissertation she wrote in 1971. It will not be Oklahoma, where she was born 56 years ago. quickly forgotten in Britain that—whatever her excuses—she

There is no denying, however, that she has brought a frankness to her job which can be extremely refreshing. She openly admits that the U.S. has a bunch of went to an official dinner at the Argentine Embassy in Washington just hours after the news of the Argentine invasion "behaved like a bunch of amateurs" in handling the pol!amateurs" in nanding the politics of the UN, a failure she blames on the "persistent inceptitude" of successive administrations. At one point last year, she appeared to be including Mr Alexander Haig, then It was she, too, who cast the U.S. vote in favour of last November's Latin American-drafted U.S. resolution calling State Secretary, in the "incpt" category.

> fight like cats over foreign policy and UN decisions. Asked what she missed most about Mr Haig's departure, she replies: "He was teaching me about the military chain of command. I don't suppose I shall have the

She and Mr Haig used to

diplomatic fashion now that she is a high-ranking ambassador. A number of Americans volunteered the following criticises the UN for giving exaggerated attention to some issues and ignoring others. She talks of "hate-filled polarising rhetoric" in General Assembly debates, in which Third World delegates attack their pet bogeys, such as Israel and South Africa, at the expense of serious world-wide issues of war, peace, freedom and human

rights.
She feels that the UN has become divided into political and cultural blocs which sometimes overlap, but never include the U.S., which is a member of none. She gives as examples the Conference of Islamic Nations, the non-aligned countries, the Soviet bloc and the group of 77 deve-loping countries.

The U.S. can sometimes count

on the support of groups like the EEC and the Association of South East Asian Nations. But often it stands alone, she says, as a result of the failure of previous administrations to appreciate how far the UN has been politicised.

The U.S., she says, must get more skilful at playing bloc politics—how, is not quite clear. She takes some comfort, however, from what she calls "the revolt of the moderates" the less extreme developing countries which are trying to get the General Assembly to focus on more fundamental world issues.

Mrs Kirkpatrick has managed



Ms Jeane Kirkpatrick

of the U.S. territory of Puerto Rico and headed off efforts to bar Israel from UN agencies. Although she often seems naive to the professional diplomais who surround her, she has already left a clear stamp on the UN.

As for her role as a mother of three children in an exhaustof three children in an exhausting top job, she has appended the following thought to her entry in Who's Who in America: "My experience demonstrates to my satisfaction that it is both possible and feasible for women in our times to successfully combine traditional and professional mice. tional and professional roles, that it is not necessary to ape men's career patterns—starting early and keeping one's nose to a particular grindstone—but that, instead, one can do quite different things at different stages of one's life. All that is required is a little luck and a

## Democrat proposes secrets Bill

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

SENATOR Sam Nunn, a be utilised whenever needed" allow Customs officers to arrest Georgia Democrat specialising Senator Nunn declared. in defence issues, has tabled The investigation had demonlegislation in Congress aimed at stemming the growing flow tries were unable to develop of U.S. high technology and their own high technology, but

While the Reagan Administration is more than keen to put an end to such technology transfers. Senator Nunn said that it had so far failed to do so as a result of defects in U.S. law.

An 18-month Senate investigation had shown that "the transfer enforcement authority

Senator Nunn declared.

The investigation had demonstrated that Eastern bloc countries were unable to deveop their own high technology, but were skilled at stealing it from of Suspects with the approval of Federal indees

military secrets to the Soviet were skilled at stealing it from the West, he added. His legislation would tighten restrictions on the possession and acquisition by Americans of restricted high - technology goods. At present, police can

only move to arrest a suspect after the goods have been exported from the U.S. The proposed Bill would also

of Federal judges. The subject was also expected to be raised by the Administration with Chancellor Bruno Kreisky of Austria, who met President Ronald Reagan at the

White House vesterday. U.S. officials have expressed concern that Austria has become one of the main through

Soviets view American techno- from the Commerce Depart- advanced technology is reachlogy as their own resources, to ment to the Customs service, ing Moscow.

Swedes to

robots in

By David Marsh in Paris

ASEA, the Swedish engineer-

ing group, will become the first foreign manufacturer to make industrial robots in

France

make

#### Surinam's deputy army chief found hanged in cell

THE BODY of Major Roy Horb, December, this is unlikely to be Deputy Army Commander in Surinam, was found hanging in a cell in Paramaribo yesterday, according to reports from the Surinamese capital.

Major Horb, formerly a close associate of Lt-Col Daysi Bouterse, the country's army strongman, was arrested with two former Covernment ministers and 12 other promi-nent national figures on Tuesday allegedly for planning a coup Major Horb's death is said to have been a case of suicide, but in view of the killing by the Bouterse régime of a number of its prominent critics in

widely believed.
The Netherlands suspended its vital economic aid to Surinam following the December killings and was followed by the

U.S. Since then, Col Bouterse has been looking for other sources of aid to his country's battered economy, while attempting at the same time to establish a civilian "government" ready to apply his particular brand of Socialist policies.

The two former Ministers still under arrest are Mr John Harloprajitno and Mr Jan Sari-

## WORLD TRADE NEWS

## Fast train to the U.S. gambling capital

necessary to fly over or drive through the sweltering Nevada desert for a chance at the crap tables or to see the Folies Bergere on the Las Vegas strip.

A feasibility study, just completed on behalf of the U.S. Department of Transport and the city of Les Vegas has recompleted.

Speed transit systems are atting to penetrate.

So far, the Japanese appear to have the edge in this market. Plans are already advanced for the development of Japanese between Los Angeles and San Diagon.

BASE LENDING RATES

the city of Las Vegas has recom-mended construction of a mended construction of a The California state legisla-\$1.9bn magnetic levitation rapid ture has already approved rail system linking America's \$1.25bn in tax-exempt bonds to capital of gambling and bad taste with Los Angeles. The Las Vegas rail system study is the latest in a growing crop of ambitious rapid rail and about 25 per cent of the money.

transit projects being planned in several parts of North It reflects a renaissance of a U.S. subsidiary for a con-rail travel which has suffered an ignominious decline in the market in the U.S. the Train de

Bank Hapoalim BM 11 %
BCCI 11 %
Bank of Ireland 11 %
Bank Leumi (UK) plc 11 %
Bank Leumi (UK) plc 11 %
Bank of Cyprus 11 %
Bank Street Sec. Ltd. 10 %
Banque Belge Ltd. 11 %
Banque Belge Ltd. 11 %
Banque du Rhone 12 %
Barclays Bank 11 %
Beneficial Trust Ltd. 12 %
Bremar Holdings Ltd. 12 %
Brit. Bank of Mid. East 11 %
Brown Shipley 11 %
Castie Court Trust Ltd. 11 %
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Castie Court Trust Ltd. 11 %
Catrierhouse Japhet. 11 %
Charterhouse Japhet. 11 %
Citibank Savings 19 %
Clydesdale Bank 11 %
C. E. Coates 11 %

speed transit systems are

Diego.
The California state legisla-

finance the project which, it is If the Japanese seem to have the lead so far, the French have indicated they intend to set up a U.S. subsidiary for a con-

Mallinhall Limited ... 11
Edward Manson & Co. 12
Midland Bank ... 11
Morgan Grenfell ... 11
National Westminster 11
Norwich Gen. Tst. ... 11
P. S. Refson & Co. ... 11
Royal Trust Co. Canada 11
Roxburghe Guarantee 11
Slavenbure's Bank ... 11

Slavenburg's Bank ... 11 Slandard Chartered ... 11 Trade Dev. Bank ..... 11 Trustee Savings Bank 11

BY THE BEGINNING of the Japanese. French and West for this potentially lucrative next decade it will no longer be German manufacturers of high-necessary to fly over or drive speed transit systems are Judging from the fierce and

Judging from the fierce and bitter competition for a recent series of important U.S. mass transit contracts, the battle for dominance in the high-speed train market in North America should bring some fireworks. Among the most controversial

of the recent mass transit system contracts is the decision of the New York Transit Authority to buy 825 subway cars from the Bombardier Com-

BY PAUL CHEESERIGHT IN GENEVA

key project contract in Algeria,

it was learned in Geneva. Star has won a £65m contract

emphasised that the recom-mendations were in no manner influenced by nationalistic con-

pany of Canada rather than from the U.S. Budd Company.

Although the independent study commissioned by the city of Las Vegas and the Transport technical support to the U.S. Department picked the West German "Maglev" system, the recommendation is bound to raise a formula to the company and construction and construction to the U.S. Department in advanced transport technology.

India in line for Algerian deal

STAR Industrial and Textile the contract came from West degree of official backing to the Enterprise, a unit of the Star German, Japanese and Italian star bid. But India, through its group of Bombay, was due companies, the main rival to eximbank, is also providing yesterday to become the first Indian company to win a turn-france.

to design, construct and which is thought to be related . Kelvinator, the U.S. refrige-

manage for one year a textiles to the agreement France has plant for Sonitex, the Algerian state textiles agency, at Tissenestit, 250 km south-east of gas.

which is thought to be related water after manufacturer, has entered by the growing Indian motor industry by announcing it will manufacture 150 cc two-wheel

But Agache Willot has 7.75 per cent repayable over apparently been given another 11 years from the signing of textiles plant contract in a deal the contract.

Mr Suresh Mehta, chairman motor scooters in collaboration

But Budd is also owned by electricity. They can travel Thyssen of West Germany comfortably at 250 miles per which, in turn, is part of the hour and would link the 230-association of West German mile corridor between Los companies called Transrapid Angeles and Las Vegas in about International. The other West To minutes. At 1982 prices the German companies are Messer-schmitt-Roalkow-Rlohm (MBR) International. The other trees.

German companies are Messerschmitt-Boelkow-Blohm (MBB)

S1.86bn the study said. This would include eight Magley
would include eight Magley trains each with four passenger cars making 22 round trips a

With a \$65 return fare, the

The Maglev is also being considered for a high-speed link-up of downtown Milwaukee and Chicago. This project has been rail travel which has suffered an ignominious decline in the U.S. at the expense of the car and the aeroplane.

It is also opening up an important market in which the Cermans are also making a pitch recommendation is bound to a high-speed the companies to market to raing a few eyebrows.

The study was conducted by the study was conducted by the Budd Company, the last travel is like "flying at ground into service in 1991 in time car manufacturer since Pullman decided to abandon the market.

The study was conducted by the Budd Company, the last travel is like "flying at ground into service in 1991 in time car manufacturer since Pullman decided to abandon the market.

#### it is already the leader in robot sales in France—excluding Renault which makes large numbers for its own factories—has announced plans to start production of bout 100 machines a year.

starting in June.

France.

The robots, destined for us hy motor compaines as well as in other diverse functions, will be made at the company's existing factory at Persan-Beaumont near Paris. The plant already employs

350 people, of which 20 are engaged in commercialising robts imported from Sweden. Another 20 will be employed to make the machines, and the company hopes to increase robot orders to around FFr 40m (£3.5m) this year from FFr 25m in 1982 and only FFr 6m to FFr 7m in 1981.

Part of the equipment for the machines will be bought in France, notably from the Thomson group and from Compagnic Electro-Mecanique, the electrical company being taken over by the state-con-trolled Alsthom Atlantique CEM, which signed an

agreement at the beginning of agreement at the beginning of the year with Yaskawa Elec-tric of Japan to co-operate in selling robots in the two countries, has just opened a new factory to make indus-trial robots in the Grenoble

Run by the company's subsidiary SCEMI, the plant will manufacture CEM's first all-electric high-precision robots, with output put at 50 during the first year and 100 in 1984.

Manurhin, the automatic machines subsidiary of the state-controlled Matra conglowerate, has been negotiating for months with Fanuc, the Japanese robots giant, on assembling robots under licence in France.

But talks have been held up by Manuchin's insistence on widening the scope of an accord to include rights to market the machines in other countries as well at France.

## Shultz bid to counter Chinese criticism of U.S. export curbs

BY TONY WALKER IN PEKING

MR GEORGE SHULTZ, the "increased mutual understand-U.S. Secretary of State, yesterday sought to counter Chinese criticism of restrictive U.S. U.S. policies towards the export of high technology to China.

A U.S. official said that Mr Shultz, in his talks in Peking with Wu Xueqian, China's Foreign Minister, explained U.S. regulations on technology exports to Communist coun-

He said Mr Shultz offered figures to show that export approvals of restricted category high-technology items to China had increased and that "the curve is upward."

The Chinese persistently com-plain about U.S. export restric-tions on such items as comtions on such items as computers. Last year, Zhao Ziyang, the Premier, told Mr Henry Kissinger, former U.S. Secretary of State, that "in general, the progress of economic and technical co-operation is far

and are not subject to the inspection procedures of the International Atomic Energy

Westinghouse and General Electric are two of the com-panies anxious to participate in China's proposed nuclear industry, but are not able to do so because of Congressional restraints.

Other issues discussed by Mr
Shultz included Taiwan, textile trade. China's proposed membership of the Asian Development Bank, cultural exchanges and Sino-Soviet relations.

Mr Shultz reaffirmed U.S.

Mr Shultz reaffirmed U.S.

Here Soviet conton Wanted them as soon as possible after Mr Shultz ends his visit to Peking on Sunday.

Trade between the two remains low. Last year's agreement, signed in April, boosted trade to \$316m from \$219m in 1881.

On the vexed textile issue, a U.S. official would not say if the chances of agreement had been improved or if a fifth round of talks would be held soon.

China reacted sharply last month by banning new purchases of cotton, soyabeans and chemical fibres when the U.S. declared unilateral restrictions on Chinese textile exports to the American market.

Mr Shultz seems certain to have reminded his hosts that despite their criticism of restrictive U.S. policies, the trade balance was swinging in China's favour. Figures released this week showed that a big jump in Chinese exports to the U.S. last year had reduced China's trade deficit from \$1.7bn in 1981 to

\$628.4m in 1982. China's exports of textile

technical co-operation is far from satisfactory."

The U.S. official declined to go into details about Mr Shultz's talks on the sensitive question of nuclear technology exports.

China and the U.S. have been seeking ways around Congressional safeguards legislation which bans the export of such technology to countries which have not signed the nuclear non-proliferation treaty and are not subject to the

Reuter adds: The Soviet Union hopes to boost its bilateral trade with China by about 40 per cent this year, following a similar rise last year, Soviet officials said.

They said the annual round of trade talks would begin in Moscow next week, adding that the Soviet Union wanted them

Mr Shultz reaffirmed U.S. commitment to last August's joint communique on arms sales to Taiwan which made a reduction in sales conditional on sleps towards peaceful reunification of Taiwan and the mainland.

Mr Shultz and Mr Wn have trade to \$316m from \$219m in 1981.

This compares with Sino-June trade of \$8.86bn last year and Sino-U.S. trade of \$5.2bn.

Preliminary consultations have already taken place in Peking, the official added, and minimal negotiations between Mr Shultz and Mr Wu have planned negotiations between now held eight hours of talks. The official New China News ministers would last about two agency said the meetings had weeks.

## Algiers. The contract emphasises the growing role in North Africa of Indian contractors and consultants. Star managed four textile factories in Algeria between 1979 and 1982. The company was asked to tender for the new plant in August 1981. Although competition from Mr Suresh Mehta, chairman of the Star group, said in an interview that Unionmatex of West Germany is a subscontractor for machinery worth is at present dominated by Eajaj, one of the world's largest in co-operation with the Project Equipment Corporation, the Indian state company. The involvement of the Agrati-Garelli of Italy. India has a large and growing market for two-wheelers which is at present dominated by Eajaj, one of the world's largest scooter manufacturers. The Involvement of the Indian state company. The involvement of the Indian state agency gave a agreement with Paggio of Italy, United Bank of Ruwaft 11 % Volkskas Intl. Ltd. ... 11 % Westpac Banking Corp. 11 % Whiteaway Laidlaw ... 11 % Williams & Glyn's ...... 11 % Wintrust Sees. Ltd. ... 11 % Yorkshire Bank ........ 11 % Members of the Accepting Houses Committee. Japan breakthrough for Pirelli BY JAMES BUXTON IN ROME

Pirelli P6 low-profile tyres are

O be fitted at the feature.

TYRES made by Pirelli are to be fitted for the first time as original equipment on three Japanese cars. The deal is a breakthrough for the Milanbased company, which already holds an important position in the Japanese replacement tyre market.

the Toyota Soarer 2.8, the Mazda that of Japan, and its low-profile tyres are particularly suited to high-performance cars. Pirelli does not envisage selling large volumes of tyres in Japanese domestic market as well as for export.

wen as for export. cost of transport to Japan and to be fitted at the factory to in European tyre technology,

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army

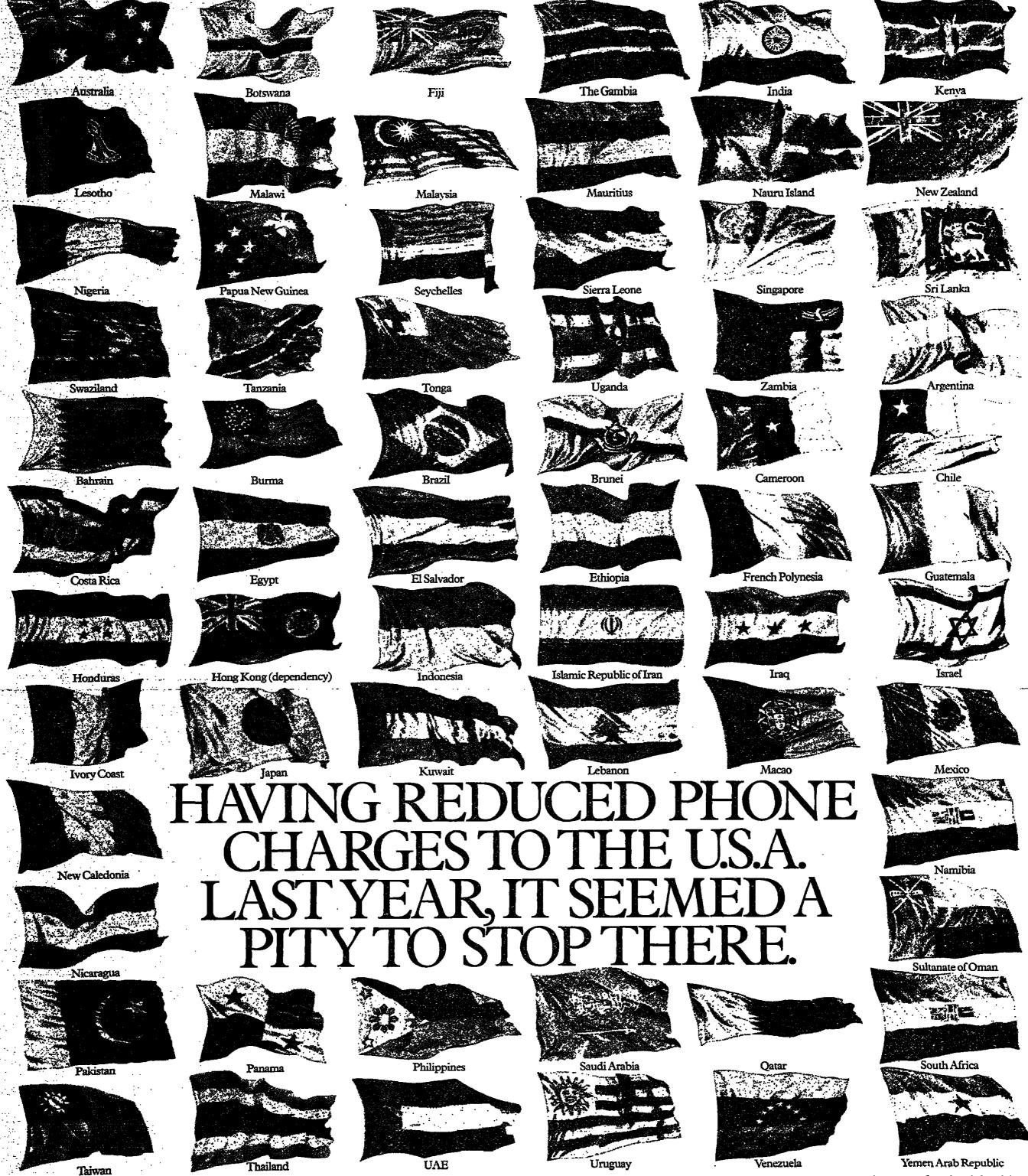
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NCR INTRODUCES TALKING CASH DISPENSER

## Banking on a friendly voice

BY MARK MEREDITH IN DUNDEE

"THANK YOU for banking with us - have a nice day." With these cheering words the banking customer in Britain could soon be able to withdraw cash from a dispenser at his bank.

Customer friendliness, and greater efficiency are the main improvements which NCR claims for its latest model of cash dispenser, the 5080 which can speak to the custom-

The speaking part of the dispen-ser is simple and is designed to allow the bank to help instruct the customer in the use of the automatic teller machine and also tempt him with other banking services.

"Have you tried our home loan scheme?" one of up to 16 pre-recorded messages may say as he goes through the transactions. Using tape recorder cassettes which are then recorded by the machine on to a revolving magnetic tape allows the bank to use any language, or regional accent as well as any message for the client.

According to NCR the messages cannot be turned off. Only by typing out the instructions on the key-board very quickly, can the custom-card-holder.

coming and farewell messages - 3.5 seconds each - with the volume automatically adjusted to the sur-

roundings.
But to the relief of the customer, the rest of the people in the queue to the machine will not, however, be informed if his account is over-

Briash banks have been weaning their rustomers gently into plastic card anking, and lag behind France, or the U.S. in using banking terminals for deposits and cash transfers. The Japanese bave been using terminals for a wide variety of cash functions since the late

The new machine from NCR, the market leader in automated teller machines, has a doubled capacity for bank notes, and improved graphics on the terminal screen.

Deposit-taking facilities, an option not yet in wide use in Britain, have also been improved. Deposit envelopes are stamped with information fed in by the depositing

Other options for the machine, such as a camera which photographs each customer withdrawing cash, are expected to be used in models marketed abroad, for instance in the U.S.

Of 6,000 NCR cash dispensers produced to date, 2,300 are in use in Britain. The cash dispenser market in

Western Europe is dominated by NCR and IBM. Three of Britain's main retail banks, National Westminster, Mid-land, and Barclays use NCR, al-

though Barclays also has some IBM

machines. Lloyds uses IBM. At a press conference yesterday Mr Sean Dixon Child, director of financial systems for NCR, said orders for 100 new models had been placed by the Midland Bank. Barclays wanted 88 and the Yorkshire

The banks plan field tests using their own staffs before placing the machine in the outside walls of the bank for customer use. At about £20,000 for the new machine, the price is roughly the same as for NCR's existing model the 1780.

NOTICE OF REDEMPTION

#### **GENERAL MILLS FINANCE N.V.**

(now General Mills, Inc.)

NOTICE IS HEREBY GIVEN THAT pursuant to the provisions of the Indenture dated as of March 1, 1971, among General Mills Finance N.V., General Mills, Inc., as Guarantor, and Bankers Trust Company, as Trustee, as supplemented by a First Supplemental Indenture dated as of May 15, 1974, \$1,238,000 principal amount of the 8% Guaranteed Debentures Due 1986 have been selected for redemption on March I, 1983 through the operation of the mandatory Sinking Fund. The numbers of the Debentures selected for redemption are as follows:

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126 3559		5263	6609	8006	9017	9997		71404	12130	13316	14420	15671	16741	17341	16124	19265
127 3763		5267	6619	8009 8021	9058	9998 10000		11405 11406	12131 12132	13519	14430			17346		
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2687 4212			7014		9343	10143	10729	11628	13179	13671	14571	16119	16919	17705	18243	19388
2671 4217				8228	9350 9358	10144 10145	10734	11632	13222	13675	14560	16123	16923	17706	18245	19391
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3340 4663			7702	8897	9600	10270	10917	11876	13394	14258	15283	16507	17123	17943	18980	19587
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Debentures herein designated for redemption will become due and payable at 100% principal amount thereof in U.S. Dollars at the office of Bankers Trust Company, Corporate Trust and Agency Group, Four Albany Street, New York, New York 10006 and at its office in London, Dashwood House, 69 Old Broad Street or at the option of the holder, at the main office of Citibank, N.A. in Frankfurt/Main, the main office of Banque de Paris et des Pays-Bas in Paris and the main offices of its affiliates in Amsterdam, Brussels and Luxembourg, and the main office of Banca Commerciale Italiana in Milan, upon presentation and surrender of said Debentures accompanied by all coupons appertaining thereto maturing after March 1, 1983. Payment outside New York City will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee, with a bank in New York City. Coupons maturing March 1, 1983 or prior thereto should be detached and presented for payment in the usual manner. On and after March 1, 1983, interest on the Debentures herein designated for redemption shall cease to accrue. All payments are subject to receipt of the necessary funds.

GENERAL MILLS FINANCE N.V.

DATED: January 28, 1983

(new General Mills, Inc.) by Bankers Trust Company, Trustee

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POSITION	Made
COMPANY	— Glamorgan
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TYPE OF BUSINESS	
FACTORIES, RENTALS FROM (1.10 PER SQUAR BUSINESSES SETTING UP IN MID GLAMORGAN THE INDUSTRIAL DEVELOPMENT UNIT, MIT	ACTORIES, TRAINING AND RELOCATION ASSISTANCE. NEW E FOOT, ARE JUST SOME OF THE INCENTIVES AVAILABLE TO I. PHONE 0222-28033 EXT, 143 OR RETURN THIS COUPON TO D GLAMORGAN COUNTY COUNCIL GREYFRIARS ROAD, I'LL TELL YOU ALL ABOUT THE INCENTIVES.

WALES WORKS WELL IN MID GLAMORGAN ...

## Minister cleared on Anderson bid ruling

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

equipment manufacturer, go ahead, despite the view of a majority of the by February 11.

Monopolies and Mergers Commis-Lord Justice I sion that the merger might harm the public interest, the High Court

in London ruled yesterday. Divisional Court refused to grant to appreciate that he was bound to Anderson orders quashing Mr accept the 4-2 majority conclusion

The decision was taken by Mr Rees because Lord Cockfield took minister did have the power to overthe view that he was disqualified from acting in the matter because had taken into account irrelevant he had a small shareholding in considerations in reaching his deci-Charter. The court held that Mr sion. Rees was not bound by the 1973

for the court to say whether or not Lord Justice Duan said that Ander-

The court's sole function was to tuory functions. nsider whether the minister acted lawfully. That involved answer- had, in law, made the decision himing only two questions. "Did the self, it was vitiated by the fact that minister have the power under the Act to take the course he did? He did have that power."

Mr Justice McCullough agreed. say whether the minister broke the to influence his decision. law. "In my judgment he did not."

MR PETER Rees, the Minister of Anderson's claim was dismissed State for Trade, did not break the and the company was ordered to law when he decided to let a bid by pay the legal costs of Charter and Charter Consolidated for Anderson the two ministers. Anderson is to consider appealing, and has undertaken to ledge any notice of appeal

Lord Justice Dunn said Anderson argued that Mr Rees misdirected himself on the proper separation of functions between the Commission Two judges in the Queen's Bench and the Trade Secretary, and failed Rees's decision and directing. Lord of the Commission that the merger Cockfield, the Trade Secretary, personally to consider the matter.

or the Commission that the merger might be expected to operate against the public interest.

Anderson contended that, if the

Fair Trading Act to accept a majori- plained about Mr Rees's statement ty recommendation of the Commis- that the majority's view on the possible adverse effects of the merge Lord Justice Dunn said it was not was "no more than speculative." the proposed merger should be allowed. son alleged that Lord Cockfield had bowed.

Alternatively, if Lord Cockfield

For the latter argument to succeed, said the judge, it would be necessary to show that the Trade He said the court's only task was to Secretary allowed his shareholding

Lex, Page 16

## CBI calls for stricter controls on use of asbestos in Europe

BY CARLA RAPOPORT

THE Confederation of British Industry (CBI), the UK employers or the CBI stated that a directive from dustry (CBI), the UK employers or-ganisation, has attacked the European Economic Community over its tailure to produce much-needed reforms on the use of asbestos in Eu-

The move is the first time British industry has joined in the calls for stricter control of asbestos. Last month, Britain tightened its limits on the amount of asbestos dust allowed in its factories.

The new limit is the strictest in the EEC, leading British companies to fear that the increased cost of complying with the limit will put them at a disadvantage against Eu-

In a letter to Mr Norman Tebbit,

the Council of Ministers requiring the protection of asbestos workers in all member states "is now of great urgency. Asbestos, which is used to make

vehicle brake pads, industrial fabrics and building materials, can cause lung disease and cancer in those who work with it. Consumer groups, unions and health organisations around the world have been pressing for greater control of the

The EEC announced its initial investigation of asbestos in 1980, but has been unable to reach a consen-

pressures and procrastination that have been evident in discussions in Brussels," stated the CBL Signed by Mr Bryan Righy, depu-ty director general of the CBL the letter blamed the delay on the atti-

tude of the West German asbestos industry, which, it claims, "has been pressing for less stringent stan-dards to protect its own position." hundred companie throughout Europe are engaged in the processing or manufacture of asbestos materials. Thousands of workers come in daily contact with

the substance. The mood of workers, employers and the public is one of anger and dismay at the continued delay

"We deplore the protectionist states the CBI,

## Business team to investigate NHS

BY GARETH GRIFFITHS

ists headed by Mr Roy Griffiths, managing director of J. Sainsbury. the supermarket chain, to conduct an inquiry into how the National Health Service is managed

The team will look at how manpower and resources are used in the Fowler said.

retary, by the end of June. quiry team would examine ways in

THE GOVERNMENT has appoint inside the health service to secure ed a team of four senior industrial- the best value for money and the best possible services for the pa-

> "We aim to make the earliest possible impact on the management of the NHS for the benefit of patients and the community as a whole," Mr

NHS and is expected to report to • More than £360m has been saved Mr Norman Fowler, the Health Sec- as a result of the blitz on government bureaucracy undertaken by Mr Fowler said yesterday the in- former Downing Street efficiency expert, Lord Rayner, the Prime which resources could be controlled Minister revealed last night.

that, between 1979 and 1981, 108 scrutinies and three reviews covering 35 departments were carried out in association with Lord Ray

"From these, firm decisions have been taken on recommendations which will produce savings and ex-tra income of £180m a year and £20m once and for all savings. Further savings, estimated at £85m a year and £8m once for all, depend on further consideration and consultation," she explained.

## **Barclays** defends rate rise

By Alan Friedman

BARCLAYS Bank yesterday responded to criticism from Mrs Margaret Thatcher, the Prime Minister over the rise last month of base rates from 10 to 11 per cent.

Mr John Quinton, senior general manager, writing in the bank's quarterly bulletin, denied any charges that the base rate had been increased to defend the exchange rate during last month's sterling

Barclays said last night the publication of Mr Quinton's remarks only a day after Mrs Thatcher told clearing bank chairmen she was up-set by the January base rate rise

Mr Quinton's statement declared month "certainly did play a part in arresting sterling's decline, but that was a by product of a decision based on a rise in money market rates which had already taken

According to Mr Quinton: "Bar-clays sought no credit for its move, any more than it would accept blame for raising rates in different circumstances. In each case a bank must react to changes in a market of which the clearing banks are a part, but will never be a whole."

Barclays claimed that despite the size and the publicity given to base rate decisions, the clearers' role was "largely passive and respon-sive", and the ability to set market rates was very limited.

Mr Quinton also said that wholesale money rates were the key to

#### Boeing 757 to start service with BA

By Michael Donne

THE FIRST of British Airways' £400m fleet of 17 Boeing 757 aircraft arrived at Heathrow airport, London, yesterday from Boeing's factory at Seattle, U.S.

The twin-engined short to medi-um range aircraft is powered by Rolls-Royce engines. It was met at Heathrow by Mr Colin Marshall, the airline's new chief executive. The aircraft, which will be joined by three more in April, will enter service next week on flights between Heathrow and Belfast.

The 757 is replacing BA's ageing Tridents and eight will be in service by the end of this year. It will be used on routes between the UK and continental Europe, including to Rome, Paris, Milan, Copenhagen

#### Timex assurance

UNION officials from the Timex plant in Dundee, Scotland, were vesterday assured by Mr George Younger, Secretary of State for Scotland, that the Government would "at least match" the financial incentives offered to Timex by the French Government to develop its French plants.

#### Modified Dart

ROLLS-ROYCE is to introduce improvements to its highly successful Dart turbo-prop engine which will give savings of up to 10 per cent in fuel consumption. The Dart is one of the world's

most successful turbo-prop engines, with more than 7,000 delivered since production began over 30

## New Issue February 4, 1983

## **Nippon Steel Corporation**

Tokyo, Japan

DM 150,000,000 634% Deutsche Mark Bonds of 1983/1989

unconditionally and irrevocably guaranteed by

The Industrial Bank of Japan, Limited Tokyo, Japan

Offering Price: Maturity:

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61/4% p.a., payable annually on December 1 December 1, 1989

Frankfurt am Main

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Goldman Sachs International Corp. Hessische Landesbank

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Manufacturers Hanover

Sal. Oppenheim jr. & Cie. Selomon Brothers International Schröder, Münchmeyer, Hengst & Co.

Société Générale de Banque S.A.

The Taiyo Kobe Bank (Luxembourg) S.A. Union Bank of Switzerland (Securities) Limited M.M. Warburg-Brinckmann, Wirtz & Co. Wood Gundy Limited

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Lloyds Bank Internations

The Nikko Securities Co., (Deutsch) Norddeutsche Landesbank

Orion Royal Bank Sanwa Bank (Underwriters) Limited mith Barney, Herris Uphem & Co. Tokai Kyowa Morgan Grenfell

imited Vereins- und Westbank Aktiengesellschaft S.G. Warburg & Co. Ltd. Yamaichi international (Europe)

هكذا من النصل

**Employers** to offer

flexible time plan

in water peace bid

ployers' negotiating committee, is expected to make a revised pay of-

rangements and improved produc-

Last summer, negotiators for the

These were revived when the em-

ployers made a pay offer of 5.9 per

cent, but later withdrawn at the in-

sistence of unions, when a mediator

appointed by the Advisory Concilia-tion and Arbitration Service (Acas)

awarded 7.3 per cent over 16

Employers argued that higher

earnings might result from more

flexible working arrangements, but

the unions gave a warning that there would be a "furore" if they

been studying a range of ideas to in-

were implemented.

VHS

## **Ministers** about

BY PHILIP BASSETT, LABOUR CORRESPONDENT PRESH PAY proposals are expect- liexible work rostering put forward

ed to be put to water workers' lead- by British Rail last year which led ers today in a further attempt to two strikes by train drivers.

Mr Hill was praised in the House of Commons yesterday for adopting a more conciliatory tone in stateof Commons yesterday for adopting

"It is the duty of this House to en fer worth and additional £5 to £10 a sure that this dispute is settled week, based on flexible working arquickly and honourably so that the growing danger of pollution can be avoided, and so that householders and industry can have the reliable National Water Council put forward and safe water supplies the law en ideas on more flexible working titles them to expect," he said.

Mr King confirmed that the employers were ready to negotiate on higher earnings through improved

The existing offer of an average £10 a week, with the further prospect of a "significant" productivity increase, was very fair, he said. I believe there is no longer any justification for the continuation of this industrial action which is causing such inconvenience and distress

to those affected by it." It was officially estimated last Since then, officials of Acas have night that more than 6m families were being forced to boil water for crease earnings, including flexible drinking as the disruptive effects of working. Latest proposals are the strike spread throughout Engthought to be similar to the ones on land and Wales.

optimistic

recovery

GOVERNMENT ministers appear to have ruled out abolition of the national insurance surcharge, a payroll tax on employers, in next month's budget. Instead, a partial reduction of the present 1½ per cent rate

looks likely. The employers have pressed for abolition and have claimed that the surcharge has contributed to redundancies.

The Cabinet discussed the economic outlook yesterday in preparation for the budget decisions by Sir Geoffrey Howe, the Chan-cellor of the Exchequer.

Ministers appear to have been guardedly optimistic about the prospects for a modest recovery in output in the UK and abroad. No specific figures for tax changes were discussed, although ministers were presented with broad Treasury estimates of £11/abn to £2bn - if the Government sticks to its existing public

borrowing projections
Some ministers have urged a rather high level of borrowing in view of the depth of the recesCALL FOR £10BN EXPANSION PACKAGE

## TUC joins 'Battle for Jobs'

BY BRIAN GROOM, LABOUR STAFF

THE Trades Union Congress (TUC) It includes a proposed £10bn expantitiveness, but some adjustment sionary package for next month's against the Yen and the D-Mark budget, which it claims would might be necessary. create economic growth of 4 per cent and cut registered unemploy-ment by over 570,000 in one year.

The first-year budget needs to be part of a medium-term growth strategy on a similar scale to postwar reconstruction, the TUC says. It proposes a five-year plan aimed beneficial. at maintaining 4 per cent annual

Mr Len Murray, TUC general secretary, said: "Economic slump and fect on inflation. mass unemployment are not inevitable. We must confront and combat the widespread mood of fatalism and pessimism."

The TUC may ask for a meeting with the Chancellor of the Exchequer to put its views on the budget. However, much of the mediumterm thrust of the document would clearly be aimed at a possible La-bour Government. out running into "inflationary and other constraints."

The budget proposals include the reimposition of exchange controls and an unspecified devaluation to maintain the pound at a lower level than its 1982 "overvaluation". This appears, however, to fall well short of the rapid devaluation proposed late last year by Mr Peter Shore, Shadow Chancellor.

Mr Murray said he thought the

The TUC has never talked in. terms of the 30 per cent devaluation proposed by Mr Shore before the pound's recent slide. On the Treasury model, it simulated a 10 per

cent fall from the pound's effective rate of autumn 1982, and found it The review says "the devaluation growth and reducing unemploy- of sterling would not in itself be enough and there is a limit to how far this should go in view of its ef-

> To prevent increased demand leading to a sharp rise in imports, it therefore proposes selective import controls in sectors such as motors, machine tools, steel, textiles, tyres

and furniture.
The TUC claims its budget package would achieve sustained growth and reduce inequality with-

Its £10bn comprises: public investment £3.2bn; manpower, education and training £1.8bn; regional/ industrial strategy £850m; local authority services £250m; state pen-sions £700m; social benefits £750m; NHS current expenditure £175m; reduction in VAT from 15 to 12.5 per

Cutting VAT is preferable to reyesterday published The Battle for exchange rate against the dollar ducing the employers' national in-Jobs, its economic review for 1983. was about right in terms of compesurance surcharge for two reasons. the TUC says: cutting the surcharge would have less impact on inflation. and "there is little evidence to show that a cut in the NIS would have any measurable impact on employ-

> The TUC has again tested its proposals on the Treasury model, although there are differences from the versions used by the Treasury and the model cannot simulate the selective, temporary import controles the TUC proposes.

No overall figure is put on the five-year plan, but it includes a £29.5bn public investment programme over five years which would create nearly 600,000 jobs. Half of these would be created directly in construction, and the rest as a result of subsequent orders

placed in other sectors. The five-year plan includes selective import controls and the expansion of manpower, education and training programmes. It also in-cludes a 10 per cent reduction in

working time over 10 years. It includes the planning mechan-isms agreed by the TUC and Labour Party, including a national economic assessment and National Investment Bank, and industrial democ racy. It proposes an annual employment budget as well as a financial

## **Woolworth begins** sharp job cuts for managers and buyers

WOOLWORTH Holdings is almost to halve its management and clerical staff above store level in a series of regional office and buying department cuts involving some 550

by Mr John Beckett, which was backed last autumn by a group of The review of City of London institutions in a £310m bid for the ailing chain of 1,000 variety stores, said yesterday that it was making the redundancies in a bid to shorten lines of communication and to trim the regional management structure.

The reorganisation will remove half the buying staff and affect 55 cashire; the Midlands; North Lonjobs at headquarters. The four re-gional offices absorb the rest of the redundancy programme, with the Liverpool office set to lose 150 people: Birmingham 125; Norbury, South London 130; and Kensington,

West London, 100. This restructuring, described as "a preliminary step towards secur-ing a successful future for Woolworth," embraces many of the proposals put forward recently by the store managers, many of whom are members of the Association of Scientific, Technical and Management Staffs, and later published as an ASTMS "survival plan."

The group acknowledged yester-day that the buying department had far too many layers of management and that it would need to recruit outside staff to supplement the traditional policy of promoting The new executive team, headed to this specialist area from general

The review of the department is just the first of a series of investigations into all head office functions

Woodworth is to restructure the regional network into eight new operating regions. The smaller stores are to be grouped into six areas, comprising Scotland, Ireland and the North-East; Yorkshire and Landon and East Anglia: South London and the South East; and the South

All stores with more than 18,000 so/ft of floorspace will be grouped into two entirely separate regions, one for the North and one covering

the South. Many more management staff changes and moves are in hand. It is not clear, for example, that the new regional network for smaller stores would necessarily be based on the existing structure. The Lancashire and Yorkshire regional office will be located in the North-West but probably not in Liverpool.

## Regulatory shake-up for City institutions

BY JOHN MOORE, CITY CORRESPONDENT A MAJOR shake-up in the regula-A MAJOR shake-up in the regula-tion of the City of London's finan-the operating arm of the council in a substantial part of the field. The terday by the Council for the Securities Industry, the ultimate regula-

tory body of the British financial Mr John Hignett, the director general of the Takeover Panel, which monitors takeover bids in Britain, is to combine his present job with the new post of director.

general of the Council for the Securities Industry. Announcing the creation of the new post, and the appointment of Mr Hignett, who is on secondment in his present role from Lazard Brothers, the merchant bank, the council said that "the move is part of a planned development to inte-

the Securities Industry." to-day basis with takeover bids

years ago it has been regarded a director general's experience will now be fully available to the council in its work of formulating codes o conduct and supervising the opera-

tion of the securities markets." The appointment comes amid growing criticism of the effectiveness of the council and questioning about its role within the City.

In June 1980 a committee headed by former prime minister Sir Harold Wilson, reviewing the functioning of financial institutions, said that to demonstrate its independence conclusively, and also to help increase the effectiveness of the chairman and other independent members, we recommend that grate more closely the work of the should be strengthened and that a chief executive should be appointed the supporting staff of the council

of a standing equal to that of the di-

#### Lex, Page 16 and since the council's creation five plan for Belgium

BY RAYMOND SNODDY THE BBC is optimistic that it can soon conclude an agreement with Belgian cable television operators for the supply of BBC1 and BBC2

The talks with RTM, a group representing Belgian cable operators, could result in a deal which would raise several million pounds a year for the BBC. Talks are also going on

between representatives of French and German television. A BBC spokesman said the fact that the Belgians could pick up British, French and German programmes - although sometimes on a weak signal - had been a cause

back to 1976. The talks were now closer to a solution than ever before, according

to the BBC. Any agreement would involve the television unions. As with the current dispute over repeat payments for actors in advertisements on the new independent Channel 4 and TV-am, the breakfast television programme launched this week, the unions are likely to argue that the sale of rights to use programmes overseas on a regualr basis should

#### of international irritation" for many involve extra payments. ICI working hours row

BY BRIAN GROOM, LABOUR STAFF THOUSANDS of workers in the Mond division of Imperial Chemical Industries may take industrial ac-tion in a dispute over shorter working hours, Mr David Warburton,

chairman of ICI's manual unions, warned yesterday. The working week was reduced from 40 to 37% hours throughout most of ICI from January 17, but day workers at plants in Cheshire and most of Merseyside, which employ more than 10,000 people, have been unable to agree with management on its application.

Mr Warburton said "hundreds" of employees had been walking off sites at 2pm on Friday in the past We now face the possibility of thousands of ICI workers taking ac-

tion, including overtime bans, as well as the day workers going home at 2pm on Fridays." Ivo Dawnay writes: Negotiators for 90,000 power workers yesterday dismissed as "unacceptable" an offer from the Electricity Council of pay rises ranging from 3.9 to 4.6 per cent.

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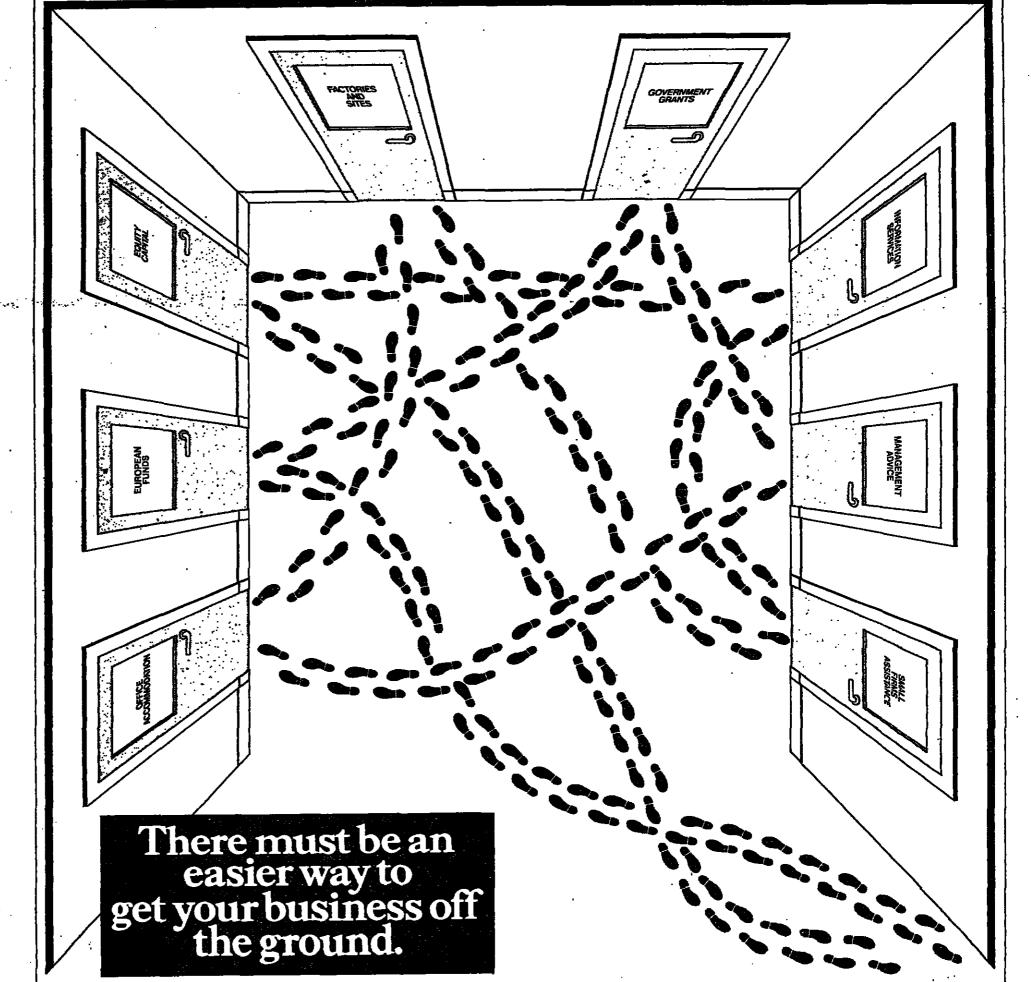
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#### THE PROPERTY MARKET

reviews, rather than opting for

According to Wilson: "There

are no comparables. We are

talking about long trading hours

values are. It is a question of

negotiation and fortunately we are blessed with sufficient interest to make this possible."

are negotiations with a series

of other entertainment opera-

There will be five or six theme restaurants to complete

the unfamiliar mix and catering group Kennedy Brookes is

The Trocadero has been a

likely to be operating them.

osed to the release of large

BY MICHAEL CASSELL

## Chicago bank moves west

all those cosy theories about the banking community's The deal is excellent news for undying allegiance to the City of London, First National Bank 75 per cent of the 190,000 sq ft of Chicago is vacating most of building at rents of up to £18 a its floorspace in the Square

Mile.

But First National, one of the biggest overseas banks operating in London, is not opting for Croydon or Cardiff. It is moving but a couple of miles to Covent Garden, where it will become the principal tenant in the MEPC-Legal and General Long Area office scheme.

Long Acre office scheme. Talks have been going on for than the two floors it originally

required.

The Bank, which employs about 350 people in London and occupies 45,000 sq ft around the City, will be leaving its clearing centre and payments office in Royal Exchange Avenue

The removal provides First National with a chance to gather its operations into two centres rather than the existing five. The choice of Covent Garden reflects both the absence of large, top-quality accommo-dation in the inner City area and what the bank describes as excellent value for money.

Rental details have not been disclosed but the Bank is thought to be paying between £16 and £16.50 a square foot for space at Long Acre. The figure is likely to represent a reduction of £4 a square foot or more on the rents which First

National is having to pay in the square foot and given the best possible answer to those who doubted the scheme's success.

#### Demand

The bank's move west will provide plenty of food for thought for those who have to monitor, analyse and make money out of trends in tenant demand. The recent relative months and the new tenant has ended up with four floors, in to the continuing 65,000 sq ft net, rather than the tree floors in the tree floors in the tree floors in the tree floors. tion requirements of the banks and their needs over the next year will remain a fundamental factor in determining the market's state of health.

> The First National decision comes at a time when a number of their American competitors have been considering moving part of their operations to less expensive accommodation, but away from the capital rather

than on the doorstep.

Chemical Bank has transferred some of its head office functions to Cardiff, Bank of suppose that this fundamental trend is likely to overturn in a first from the City. But the looking at other locations readiness of an operation like beyond London while Chase First National Bank of Chicago Marhatian is also understood to to contemplate relocation just have been considering the prospects of some relocation.

munity nevertheless remains an might suit space-takers who important source of demand for have to do something but can-

pleted by Noel Alexander Associates and released this week shows that 31 overseas banks opened new offices in London during 1982 while only

on.
The report shows that, since 1960, the number of foreign banks operating in London has risen from 73 to 428 and that the pace at which new offices are being opened has not slackened.

The importance of the banking community to the City market in particular is underlined by figures just produced by the research department at Richard Ellis, which show that, of an estimated 2.3m sq ft occupied in the City last year, in the retail tenants. at least 400,000 sq ft was occupied by banks and other financial organisations.

" Financial firms, particularly overseas banks, have continued to move within the traditional banking area, upgrading their accommodation and at the same time occupying larger areas of space," according to Clive Arding, a partner at Richard

flight from the City. But the readiness of an operation like First National Bank of Chicago ave been considering the pass-ects of some relocation. beyond the City (albeit with mportant bits left behind) The overseas banking com-highlights an option which

#### **Count-down begins** for the Trocadero

IT CAN take a lot to get a sur- centre is charting new territory veyor excited but the Trocadero but it is sticking to traditional centre seems to have done the 25-year rents, with five-year trick for Christopher Whyman.
Whyman is chief surveyor to
Electricity Supply Nominees
and he claims his enthusiasm
for ESN's £45m shopping, eating any form of rental geared to turnover. and entertainment extravaganza on the edge of Piccadilly Circus is being shared by potential and a unque location and nobody quite knows what rental

Whyman's excitement - and

satisfaction that the original concept has been adhered toconcept has been adhered tois apparently shared by Alan
Wilson, senior partner of
Richard Ellis, the development
consultants. "We have already
had approaches from retailers
and are considering offers. We
haven't accepted any and
haven't turned any away.
We are determined to get the
right tenant mix for a scheme right tenant mix for a scheme which is unique and which pro-

mises to restore the image of a world-famous location." Retailing space will account for 35,000 sq ft net of the 250,000 sq ft net centre and rents will range from £18,000 a

year to £135,000. Matters are less clear-cut, however, when it comes to the all - important entertainment element of the scheme. The

### Hanover to buy Druce

Hanover Investments, which used to be Balkan Sobranie, this week agreed terms for the £640,000 takeover of Druce Investments, the estate agency business currently handling the sale of British Transport Hotels.
In agreeing to the deal,
Druce—with pre-tax profits of
£110,000 forecast for the
current ten-month period to
end-February—has fuund a conrecient answer to the problem venient answer to the problem besetting medium to larger estate agency firms these days.

partnership cannot provide it." partnership cannot provide it, says Druce's senior partner Reg Shaw. "We looked at limited liability and the Black Horse gallop (a reference to the Lloyds Bank incursion into the agency business), but Hanover's a better opposed to the release of large helpings of enthusiasm) was that Guinness has signed lease terms to take about 15,000 sq ft of floorspace to mount a permanent "Book of Records" exhibition. Talks with potential operators of a new "London Experience" are being held, as are negotiations with a series bid seemed to provide a better

Druce's principal vendors will end up with 29.9 per cent of Hanover—" the most we could have had without having to make a bid for Hanover ourselves," notes Mr Shaw. It will be going into a holding ompany structure, with none of the worries about interference from on high, which being swallowed up in a giant financial services conglomerate might bring.

long time in the making and there have been not a few Hanover, meanwhile, wants growth prospects, and does not want to be too heavily depenproblems. With the count-down to opening well under way— and a £500,000 promotional dent on one activity. But with Mr Shaw and his partner, Mr S. A. Parnes, on the Hanover campaign still to come—the public will soon be able to make up its own mind about the merits of a brave and expensive Board, the Druce element should be able to argue for its fair

## Fleming American buys in Houston

Unit Trust is to buy four industrial estates in Houston. Texas, for \$16.4m. Mortgages reduce the net cost to \$8.8m (£5.8m). This follows a \$5.85m office acquisition in North Carolina and the \$8.5m purchase of research and development buildings in San Jose, California.

The Houston Estates total 645,700 sq ft of floor area over 30 acres of land. The fund, established 10 months ago, now has an overall size of \$32.4m shared among 68 monthshelders.

• A public inquiry opened in London this week into the Eummerson proposals for demolition and rebuilding of a City site on the corner of Fleet Street and Whitefriars Street. Hammerson wants 34,000 sq ft of new offices. The City Corporation wants either a refurblishment, or rebuilding behind an existing facade which Hammerson describes which Hammerson describes as " not glamorous."

 Rush and Tomkins has bought a 50 per cent limited partnership in MP Associates which is to develop a new regional shopping mail in Danville, Virginia, comprising 93 shops and 193,000 sq ft of total Boorspace.

• Norwich Union is funding the £6m development of a 135,000 sq ft industrial estate

6.5 acre site which the de-velopers. Rehau Group, bought from the Prestoid subsidiary of the Sufer group late last year for LLBm.

Town & City Properties disposals in London's West End and Preston's Cherpside bring \$2,65m into the cosponate coffers. A mixed-tenancy building in Curzon Street and Curzon Piace. Mayfair, has raised around £2m and a prime retail investment in Preston making £650,000. Both of the properties are freebold. of the properties are freehold.
That agents being Chestertons and Michael Laurie on
the London deal, and Smith Meizack for Preston.

• New Cavendish Estates has sold a 10,500 sq ft building at 12 Princes Street, Hanover Square in London's West End to GD Services, a subsidiary of an Italian company, for over £2.55m.

· Robert Bosch has agreed to take the warehouse element of the National Water Council Super-Water Council Super-annuation Fund's 136m Broadwater Park develop-ment at Denham. A rent of more than £4 a sq ft is thought to have been agreed for around 278,000 sq ft of accommodation. Jones Lang Wootton and Courad Rithint acted for fund. Robert Bosch was introduced by Stimpsons. Water (

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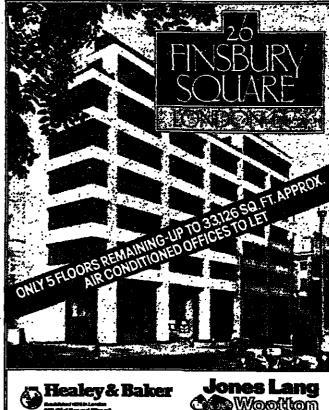
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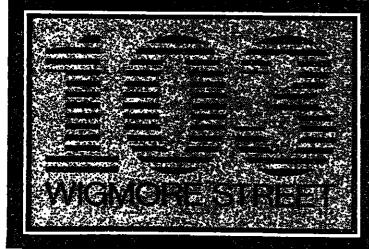
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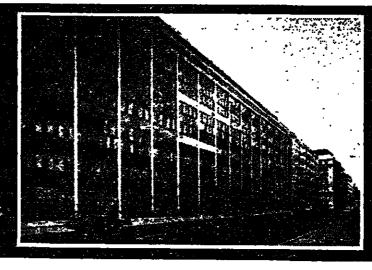






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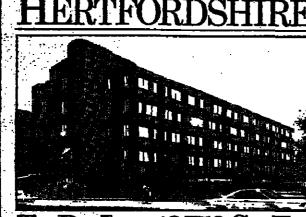
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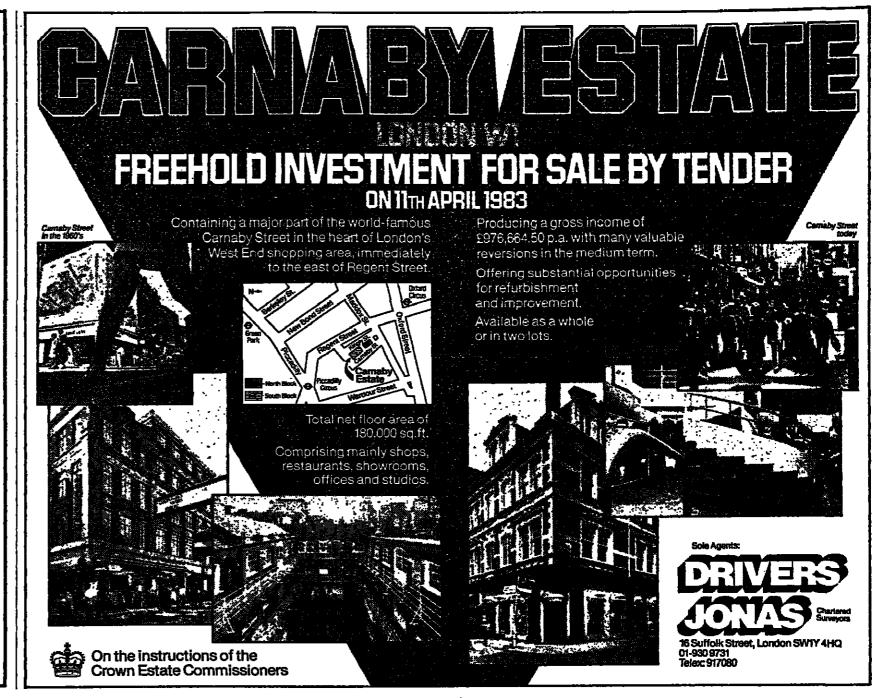
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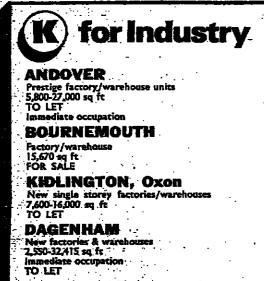
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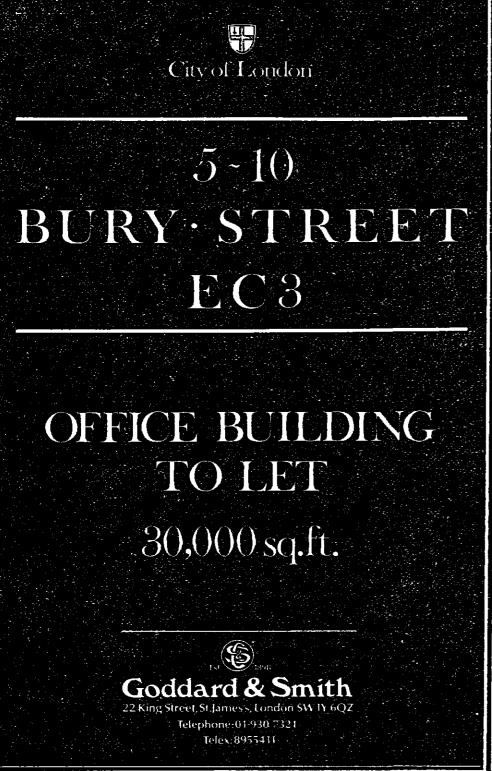
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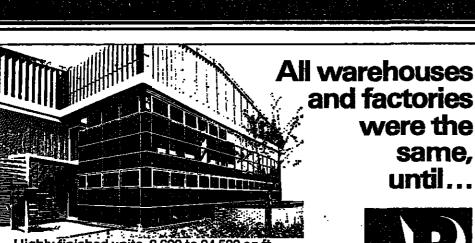


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#### **APPOINTMENTS**

## Hawker Siddeley group changes

affecting various member companies. Mr R. J. Dowding becomes sales director of Hawker Siddeley Power Engineering. Mr R. P. Hampson is made managing director of Brush Electrical Machines on the retirement of Mr A. R. Creswick who remains with the group as a director of Hawker Siddeley International. Mr C. L. Smith has been appointed managing director and Mr C. C. Gough production director of Elec-tric Construction. Mr G. Howell becomes chairman of Hawker Siddeley Dynamics Engineering. Other members of the board are: Mr J. G. W. Lee, managing director; Mr A. H.
Parker, director and general
manager, mining and power
systems; Mr P. Brett, director and general manager, marine controls; Mr A. B. Foulds, director and general manager, engine controls; and Mr T. J. Randfield, production director. Mr D. R. Hayes has been made sales director of Partridge Wilson and Co, while Mr A, L, Wolfendale and Mr G. J. Clarke were appointed directors of Brush Power Equipment. Mr J. A.

Mr D. B. Thomas has been appointed director-in-charge of KIMPTON BROTHERS in place of Mr A. J. Tamlyn who has left the company. Mr Thomas has also been appointed a director of Croda World parent company. World Traders, the

Sir Timothy Kitson has been appointed to the board of EQUISCOPE INSURANCE

LEWIS AND PEAT has appointed the following non-executive directors: Sir Francis Sandilands, retiring chairman of Commercial Union, Mr Hugh Parker, recently retired director of Mckinsey and Co, and Mr Geoffrey Bell, formerly a direc-tor of J. Henry Schroder Wags and Co. before forming his own company.

Sir Alec Merrison, vice-chan-cellor of the University of Bristol, has been appointed a director of WESTERN PROVI-DENT ASSOCIATION. This appointment is in preparation for the retirement of the chairman Mr Alan Wright in early 1985, by which time Sir Alec

HAWKER SIDDELEY GROUP will have relinquished his vice-has made board appointments chancellorship.

Mr J. F. Davies has been appointed managing director of WEIR WESTGARTH. Weir Group's desalination plant and engineering contractor subsidiary. He was contract opera-tions director, Mr P. B. Simpkin, who was appointed managing director of Weir Westgarth in 1973 and who has combined the posts of chairman and managing director for the last two years, will become a non-executive director. He will carry out special assignments for the com-pany until his retirement at the end of 1983

Mr Hugh Aldous has been ap pointed as a part-time member of the BRITISH WATERWAYS BOARD for two years. Mr Addous is a partner with Robson

THE GLASGOW SALVAGE CORPS has appointed Mr A. F. Hardy, manager of Phoenix Assurance and Mr J. M. Mars, manager of Guardian Royal Exchange Assurance as chairman and depute phateman representatives. and deputy chairman respectively for the ensuing year.

Halley has been appointed managing director of HDA THE NFU MUTUAL AND AVON has appointed Mr T. M. Barlow, an assistant general manager. He joined the Mutual's accounts department in 1959. Mr A. S. Young will become an assistant general manager. Mr Barlow's replacement as chief accountant will be Mr J. Divers, presently deputy accountant. The new personnel manager will he Mr F. W. Smith, replacing Mr Young, presently personnel

> BRITISH NATIONAL LIFE ASSURANCE COMPANY, newlylaunched subsidiary of Armoo Financial Services International has appointed Mr P. David King as chairman; Mr Roger W. Davies managing director; Mr Freddie Burns, sales and marketing director; and Mr Roy Oliver and Mr William Samengo-Turper joins

Mr Hugh Henderson has been appointed chief executive of THOMAS WILLIAM LENCH, Warley-based group of fastener manufacturers. He joins the company after eight years with the Delta group. He was pre-viously managing director of Mansill Booth and Co. Smeth-

## COMPANY NOTICES

Notice to Holders of

CITICORP OVERSEAS FINANCE CORPORATION N.V.

\$15,000,000 11% Guaranteed Notes Due 1984

NOTICE IS HEREBY GIVEN that pursuant to Paragraph 8 of the Notes, Citicorp Overseas Finance Corporation N.V. has purchased and surrendered to the Fiscal Agent A\$1,332,000 aggregate principal amount of the subject Notes during the period ending January 31, 1983 in satisfaction of the Purchase Fund. CITICORP OVERSEAS FINANCE CORPORATION N.V.

By Citibank, N.A., Fiscal Agent February 4, 1983 **CITIBAN(** 

NOTICE TO HOLDERS OF CITICORP OVERSEAS FINANCE CORPORATION N.V.

£20,000,000 10% Sterling/U.S. dollar option **Guaranteed Bonds due 1993** NOTICE IS HEREBY GIVEN that pursuant to Paragraph S (c) of the Bonds, Citicorp Overseas Finance Corporation N.V. has purchased and surrendered to the Fiscal Agent £800,000 aggregate principal amount of the subject bonds during the period ending March 15, 1983 in satisfaction of the Sinking Fund obligation.

CITICORP OVERSEAS FINANCE CORPORATION N.V.

By Cicibank, N.A., Fiscal Agent February 4, 1983

**CITIBANK** 

#### **PUBLIC NOTICES**

THE BUCKINGHAMEHIRE COUNTY issued on 2nd Fobruary 1983 55m Bills due 4th May 1983, Tenders totalled 551m, and the entire issue was made at 10 63-64ms." There are £77m other Bills actionaling.

52m Bilts issued 1st February due 3rd May 1983 at 11%. Applications totalled £14m. £6m Bills outstanding. E550 000 Bills Issued 2nd February due 4th May 1983 at 11 1-54th4... Applications totalled £4.55m. Only Bills outstanding. WARWICKSHIRE C.C.

53m Bills placed 2nd February due 4th May 1983 at 11%. 55m Bills out-standing. £5,000,000 VARIABLE RATE STOCK 1983 (Issued 2nd August, 1978)

The interest payment due on 3rd August 1963 in respect of the period 3rd February 1963 to 3rd August 1963 will be 6.21879 per cent field income taxo boing at the rate of 12.4375 per cent per annum above the arrest of the series of the per annum above the arrest of the rates indicated by the Reference Banks to National Westminster Sank Pt.C. 2nd February, 1963.

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Bondholders of the above bonds are informed that Bonds for a nominal amount of UA 580,000 were drawn on January 21, 1983 in the presence on March 12, 1983, for redemption on March 12, 1983, for redemption on March 12, 1983, the relinous UA 1,000 Bonds will be reimbursed at par. Couson No. 10 stacked, as from March 12, 1983; 15377 to 16056 inclusive ousstanding: UA 12,560,000 Ousstanding drawn Bonds 6481 and 6482 6973 to 6978 inclusive Trustee FINIMTRUST S.A.

TRAVEL

**ART GALLERIES** 

AGNEW GALLERY, 43, Old Bend St., W1, 91-529 6176, 118th ANNUAL WATER-COLOUR EXHIBITION, UNIL 25th Feb. Mon.-Fri. 9.30-5.30; Thurs, until 7, CRANE KALMAN GALLERY, 178, Brompton Rd., SW3. D1-584 7566. 20th CENTURY BRITISH PAINTINGS: Lown, John, Nicholson, Surberland, etc. Mon-Fr. 10-5, Sats. 10-4. FIELDBORNE, 53, Opens Grove, NW8 01-586 3600, LARGE LANDSCAPES & TOWNSCAPES, Lr. gallery Scottle Wilson JOAN EARDLEY at BROWSE & CARBY.
19. Cork St., W1. 01-734 7964.
LEFEVRE GALLERY, 30. Broton St. W1.
01-93 1572 S. CONTEMPORARY
PAINTINGS ON VIEW. Mon.-Fri. 10-5
and Sats. 10-12-45. LUMLEY CAZALET, 24, Davies St., W1. 499 5058, ORIGINAL PRINTS by: Braque, Mathie, Miro, Picasso, etc.

POSK GALLERY, 238:245. Kings St., Longon, WG. BASIA HANDPAINTED PORCELAIN & CHINA. 6-9 tonight, 10-5 Saturday. SANDFORD GALLERY. 1, Mercer St., WC2. "THE ART CRITICS" Art Show, Tues, Sac. 12-5.30 bm. CLUBS

EVE has outlived the others because of a policy of fair play and value for money, Subject from 10-3.20 am. Disco and too muliciaed, glamorous hostesses, excluing ilcorations, 109. Regent St. 01-734 0557.

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#### THE MANAGEMENT PAGE

## ITT and AT & T: no more cosy cartel

Paul Betts on the battle about to rage between the two largest U.S. telecommunications groups

FIFTY-SEVEN years ago, munications. They are especially looking to the new North American telecommunications facturing operations of its huge Western Electric subsidiary to companies in the Caribbean, pany market, suddenly found himself with a major multinational concern. He deliberately called it International Telephone and Telegraph to invite confusion with is mighty rival.

But for the past 50 years or so, AT&T and ITT have carefully sought not to tread on each other's toes. In what has been tantamount to a private been tantamount to a private cartel agreement, AT&T stuck to the North American market

outburst of hostilities is an-other direct consequence of the break-up of the Bell system.

"We are now going to have "We are now going to have an opportunity not only to sell U.S.-built products, we are going to have an opportunity to pull a reverse on AT&T International," says Hal Miller, vice-president of North American telecommunications at ITT.

"We are already in place in this market; AT&T International is put in place in the controlling interest in Standard Telephones and Cables in national is not in place in Europe. And we are going to

binge which turned the comable to draw from its internawere done in the U.S.
pany into the world's largest, tignal technological has and

American telecommunications market, "It is the most open in the world these days for provid-Western Electric subsidiary to a sugar broker from the Virgin Miller, adding that companies Islands called Colonel Sosthenes like ITT will now have a good operated two small telephone Belt telephone operating companies and the subsidiary to the world these days for posture and the world the world the world the posture and the world the

"The big stakes are in North America. I think AT&T ought to be a lot more worried about what is going to happen in its backyard than about what it is going to be able to do in Europe," Miller remarks.

marketing people occasionally called around the Bell operating to the North American market and ITT took all the rest.

This cosy arrangement is now section because you weren't cover. AT&T is launching a markets again, while ITT has its eyes firmly set on raiding as much of AT&T's domestic Bell territory as possible. The outburst of hostilities is an-

Steward Flaschen, ITT's general technical director, was among those who came from

binge which turned the company into the world's largest, most complex and controversial conglomerate, the new leaders of the company are now trying to re-direct it back to its original business of telecom- at least in adapting technology were done in the U.S.

Were done in the U.S.

Another aspect to the section ment involves the possible purchase by AT & T of up to approach to bids for the first approach to bids for the first



Hal Miller: "ITT will now have a good chance of cracking the local Bell telephone operating company market"

countries to a market in some other country or to a third world export market."

One of ITT's biggest hopes is to sell its System 12 digital Although ITT recently sold For ITT, System 12 represents the controlling interest in Stan-dard Telephones and Cables in over the life of the project. For the UK and has had its French Flaschen, System 12 is an extelecommunications interests ample of the way ITT has been it does call upon AT & T to have an opportunity to move telecommunications interests ample of the way ITT has been European products in the U.S." nationalised, it is still the transferring technologies from Although ITT under the largest telecommunications com- one country to another. The leadership of Harold Geneen, pany in the world after AT&T. original patents and the start-up went on a wild diversification. Flaschen claims ITT will be on the digital switch contains the start-up went on the start-up went of the start-up went on the start-up went of the start-up went on the start-up went of the start-up we

developed in one of these 24 of System 12," Flaschen explains.

trust settlement in 1980, AT & T agreed to collaborate with ITT to help adapt the System 12 digital switching system for possible use by the Bell system. Although the agreement places no obligation on AT & T to buy System 12, provide system engineering and service support personnel to heip adapt System 12 to meet Bell system requirements.

Another aspect of the settle-

initial down-payment of \$100m in 1980 and is due to make another of \$100m next year towards the purchase of ITT equipment. ITT recently said that while expecting to market substantial sales to the Bell operating companies after divestiture, it does not expect these sales to build up rapidly enough to cover the entire \$2bn

envisaged in the settlement. Under the 1980 settlement. ITT agreed to drop its anti-trust suit against AT & T while AT & T in turn agreed to dismiss its counter-suit against

ITT also recently bid on a major AT&T long-lines optic fibres job. "We have done this by combining both our U.S. and our European expertise bidding a combination of U.S. and European technology o.s. and European technology products—but all from ITT." says Miller. The fact that several companies bid for the AT&T long-lines project is in itself a sign of the way the North American telecommunications market is changing,

A few years ago, the project would not have been put out for hids in the same way. Instead, AT&T would have discussed the entire programme with Western Electric and Bell labs and decided how to go about building the optic fibres line.

The current bidding is for five sections of a 1,000-mile long optic fibre line. "It is part of a complete transcontinental a complete transcontinuing fibre optic system which will from the east project could involve about 9,000

terms of the settlement, however, AT & T made an lion's share of the job. Of the initial down-navment of \$100m is expected to get at least three leaving one or two for the competition, which, apart from ITT, is understood to include Siemens of West Germany, Ericsson of Sweden and Fujitsu of Japan.

None the less, no one at ITT expects that AT & T compettors will break into the domestic Bell operating company market overnight. This year, the Bell operating companies will still be part of AT & T. Any change, according to ITT telecommunications officials, is unlikely to occur before 1986 or 1987.

"You have to understand that AT&T controls, utterly controls. the technical and purchasing decisions of Bell operating com-panies. And if AT&T says this panies. And if AT&T says this is the way we are going to go, 80 per cent of the North American telephone industry leaps to their feet, clicks their heels, salutes and marches off."

Miller says. But he adds that this will expectable. this will eventually stop; the local Bell telephone companies are not necessarily going to agree in the future that what Ma Bell wants is good for them.

But although new market opportunities may soon flourish for Bell rivals, few competitors are underestimating AT&T. The new American Bell subsidiary, for example, which begins life this month selling both traditional telephone equipment and new enhanced telecommunications services, is alone a formidable foe. Of American Bell, Miller says: "You cannot dismiss somebody who starts on go all the way from the east coast to the west coast with a number of tails," explains Miller of ITT. Eventually, the be sitting there with 45 per be sitting there with 45 per cent of the market . . . whether

Success in management can depend on an understanding of cultural characteristics

## Round pegs for round holes

when multinational companies ask Geert Hofstede to advise them about top management appointments to their overseas subsidiaries, one of the questions he invariably asks is whether the potential candidate is likely to shout in a crisis.

If the answer is "yes" his

If the answer is "yes," his advice is simple: don't appoint him to a tour of duty in South-East Asia, however competent he is. Local management will tend to react in a negative manner and business will almost certainly suffer.

Rather, the individual should be considered for an appointment in Latin America, where his personality will be more suited to the national tempera-

Hofstede uses this example to illustrate his strong convic-tion that successful managecompanies employing people of different national groups — depends more on understanding cultural differences than on the proper handling of economic

#### International co-operation

From his experience as chief psychologist for IBM (Europe) and more recently as director of human resources for Fasson (Europe), part of the Averys adhesives group of the U.S., he believes that companies could and should—do a lot more to encourage more effective co-operation between people of different cultural backgrounds.

But as he admits, very little is known about how organi-sational and national cultures inter-react.

To help complement the limited research he has done on the subject, he has recently set up a new non profit-making research organisation in Amsterdam to develop training methods for what he calls "intercultural co-operation." Called the Institute for Research of Intercultural Co-operation, it is to be financed mainly through the projects it can attract — and already it has clients like Shell, a large Dutch and Japanese overseas develop-ment agency and one of the iargest Netherlands-ba

agement consultants. "As a complement to microeconomics, organisational psy-chology and organisational sociology, we need to develop an organisational anthropology to deal with issues of organi-sational cultures," he says, "On the basis of such research, we can improve our selection and training methods for inter-cultural co-operation, our per-sonnel policies and our structural arrangements."

Hofstede, who is also about to take up a new appointment as Dean of a small management school in the Netherlands, believes that managers can be taught how to get on well with people of ther cultures.

"Foreigners think differently and behave differently and international managers should be aware of this, otherwise problems can easily arise.

"In some countries in Asia, Africa and Latin America, subordinates expect managers to keep them in a dependent role. Problems arise when inter-

cultural factors can be vitally important in a variety of business decisions, including major ones like mergers and takeovers.

overs can be made to work given enough effort, there are some that are inhererently unworkable because of cultural differences." he says.

Hofstede claims that the break-up of two German/Dutch mergers—the airplane consortium of Fokker-VFW and the Estel steelworks joint venture illustrate his point.

"In both these cases there was a complete misunderstandment—as far as multinationals ing of national motivations at are concerned, or even just senior level. When problems arose, the German managers wanted firm guidelines while the Dutch preferred the more flexible approach of using negotiations as and when difficulties arose. Because of this all decisions presented major problems in themselves.

"Organisations established by mergers have a remarkably low rate of success and the most problematic of all are transnational mergers.

Cultural considerations are equally important in other business situations, he says. Organisational cultures, onco established; are difficult to change and this poses a problem if the company changes its 'environment.' This happens when national companies go multinational, when new technology. nology means the entry of new categories of employees or when markets disappear and new markets are explored.

"For example Shell Oil once tried to move into the travel market and failed; it realised that the people who deal with passengers are completely different from those who deal with energy.'

Hofstede says that there are also cultural implications in the way an organisation's oversess headquarters

#### **Powerful** person

" Foreign operations. quently fail not because they are improperly run abroad but because the international head-quarters is not set up to appraise and support the foreign subsidiaries' manage-ment; home country rules are applied to host countries.

"In general, foreign opera-"In general, foreign opera-tions should be able to rely on a single, high-level contact in headquarters; they should be able to find a person with an understanding of both the foreign and the headquarters culture—and who is powerful enough to act on the foreign operation's behalf in head-quarters decision-making."

With the world getting smaller Hofstede believes that intercultural co-operation will be one of the key issues for management in the 1980s. If he has his way, there could be a new type of managerial training course on the horizon.

Arnold Kransdorff

## Why executives must learn to live with pressure groups

The girl is Jan West who, after 5 years service as a catering manager with Gardner Merchant, has just been appointed a district supervisor.

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Jan as possessing the essential attributes of experience, knowledge

on corporate attitudes to the realities

A personal view FACING a firing line can now man who's just murdered his a prominent pharmaceutical the OHE concludes that in questions on television without newsletter under the headline: creased communication and co-the aid of four days in Malta.

man who's just murdered his mother.

The asbestos controversy, the debate over pesticides, drug safety or lead in petrol have all meant that executives have had to spend less time managing and more time dealing with rate pressure groups, the press and nervous customers.

It's a chore they would rather not have to do at all, And it's a job few of them do well.

Television, in particular, has a way of making a defensive and more time aspectation.

There are a number of options open to those who want to ease this problem. One is to esse this proposate to spend the doff a lot of opposition betweet it gets or ganised.

The report deals primarily with the pharmaceutical into dustry and its arch-critic, the consumer movement. Even so, its conclusions can be easily extended to any industry which sells products with any element of risk to the public.

The U.S. Food and Drug Administration lawyers are still investigating allegations of importance time to esse this proposed by the Office of risk to the public.

The office the Heat." The advertises invite executives to spend the doff a lot of opposition between t

Agirl, a badge, a commitment

of consumerism

way of making a defensive A more discreet method is haustive study of those groups executive look a little like a offered in a recent edition of which actually fire the salvos.

and commitment

toward consumer organisations, the report's author, David Taylor says, "Many people in the industry haven't bothered to understand the consumer movement. I think this is a

Citing widespread misunderstandings between the two sides and a legitimate demand for more-information about the industry and its products, the OHE makes the following recommendations:

• the appointment of a nonexecutive director who could make special contributions in the consumer field;

 the supply of additional material about the industry's products to the media, possibly

supported by advertising; • increase in educational aids about the products; and

 additional support for voluntary groups involved in the field, such as charities or community health programmes, The OHE advises that these voluntary organisations would provide companies with social "eyes and ears" which could prove to be of "ultimate"

importance to industry.

This kind of support within industry for its consumers can only serve to reduce the hostilities between the two camps. A non-executive director regu-

investigating allegations of improper behaviour by the drug's manufacturer. Eli Lilley, while the industry is maintaining a stony silence on the matter.

The only real response has come from the strident news-letter produced by the Associa-tion of British Pharmaceutical Industry. Its story about the Opren episode is called "Death of a Drug—Mafia Style." It went on to attack the restrictions on pharmaceutical tions on pharmaceutical research in an article called "Seven Deadly Shackles." These shackles included excessive regulation, pressures for "cheap" prescribing and "criticisms from consumerists." An adjacent article was headlined: "Anti-drug bandwagon is a Sham Charlot."

This is the kind of attitude that needs to be abandoned. All too often it virtually guarantees that even the most positive, benign initiatives of industries like pharmaceuticals will be greeted with scepticism from many quarters,

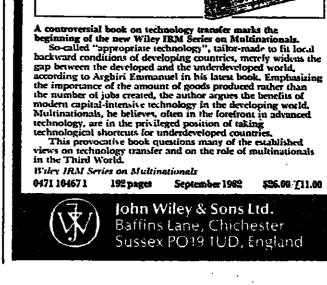
Both sides need to get off their horses and talk—the result would surely reduce the number and intensity of the battles in future. And save more management time for managing.

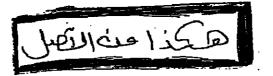
\*The consumer movement, health and the pharmaceutical industry. Office of Health Economics, 12, Whitehall, Lon-don, SW1, £2.











#### THE ARTS

Ivory

#### Theatre

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NEW YORK

Amadeus (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life.

Theatre production of Mozart's life.
(2470472)
Agnes of God (Music Box): The fiery
trio of Elizabeth Ashley, Geraldine
Page and Amanda Plummer enliven
a somewhat over-written clash of
ideologies (2464635)
Joseph and the Amazing Technicolor
Dresmonat (Royale): The first work
by Andraw Lloyd-Webber and Tim
Rice in a lively and imaginative rendition directed by Tony Tanner.
(2455760) (2455760). Crimes of the Heart (Golden): Despite

its genial humour, outlandish events and Pulitzer Prize, Beth Henley's story of three Mississippi sisters boils down to a sitcom sensibility hill of gags, good acting and frequent phone interruptions. (2466748)

than Reynolds takes advantage of a stint watching Francis Ford Coppola stint watching Francis Ford Coppoia shooting Apocalypes Now to parody the American film industry in this riotous re-creation of a jungle film set awalting the end of a seasonal typhoon. (432 W. 42nd). (2794200)
Nine (48th St): Two dozen women surround Raul Julis in this Tony-award winning musical version of the Fellini film 8-5, which like the original celebrates creativity, here as a se-

colebrates creativity, here as a series of Tommy Tune's exciting scenes. (2460246)

Good (Booth): How Halder became a Nazi, in this London import starring Alan Howard and directed by the sand Davies is element on the beauty of the sand Davies. ard Davies, is eloquent, stylish in set and overlapping scenes, but ulti-

Beethoven: at the Konzerthaus,

Vienna

LONDON

BBC Symphony Orchestra and Chorus with BBC Singers conducted by John Pritchard, Bartok's Cantara

John Pritchard. Bartok's Cantata Profans sung in Hungarian and Beethoven's Choral Symphony. Royal Festival Hall (Mon). (928 3191) Philharmonia Orchestra with Vladimir Ashkenazy as conductor and pianist. Prokoliev. Mozart and Strauss. Royal Festival Hall (Tue). Loudon Siptopietta conducted by Oliver Krussen with Elaine Barry, soprano. Ives. Figulissy and Grainger and first British performance of Peter Lieberson's Accordance. Queen Elizabeth Hall (Tue). (928 3191). Jessye Norman. soprano. accompanied

sis, piano. Wagner, Rachmaninov and Dvorak, Royal Festival Hall

(West).
Royal Phillugmonic Orchestra conducted by Owain Arwel Hughas with Ian Hobson, piano. Dukas,

Rachmaninov, Mussorgsky and Ravel Barbican Hali (Wed).

tra con-

London Phillagmonic Orchastra con-ducted by Sir Georg Solti, Wagner, Beethoven and first performance of McCabe's Concerns for Orchastra. Royal Festival Hall (Thur).

Wahter Klien, plano. Schubert. Queen Elizabeth Hall (Thur). Gidon Kranser, violin and Andras Schiff, piano. Schumann, Schubert, Takahashi and R. Stranss. Wigmore

Hall (9309232). comie Scett's, Frith Street: Alto-saxo

phonist Lou Donaldson and his quartet Ends Feb 12. (439 0747).

Berlin Philharmonie: Tonhalle Or-chestra Zurich, conducted by Chris-toph Eschenbach with Flautist Au-

rele Nicolet. Mozart and Bruckner

Rome, Auditorium via della Concilia zione: Mahler 9 (Mon and Tue).

NEW YORK

conducting, Claudio Arrau pianist. Prokofiev: Romeo & Juliet Suite

(Thur). (2477439)

\$2nd St. Y (1395) Lesington): Group for Contemporary Music, Lukas Foss piano, Benjamin Hudson violin.

Barbara Martin mezzo-soprano, Foss, Weisgall, Berio, Druckman (Tue) (4274410)

Alice Tully Hall (Lincoln Center): Chamber Music Society of Lincoln

Center, Elmar Oliveira violin, Dob-uanyi, Beethoven, Gizzunov (Mon. Tue). (383 1960)

WASHINGTON

tional Symphony Orchestra David Zinman conducting, Eugene Islamin plane. Fauré, Chopin, Strauss. (Tue, Wed, Thur). (2543178)

Orchestra Hall (220 S. Michigan): Chi-

cago Symphony, Caudio Abbado conducting. Cecile Licad piano. Stockhausen: Gruppen, Rechmani-neff: Piano Concerto No. 2 (Thur).

YIENNA

Menticorreta (858 190): KSchl Quarter. Besthouen Dennah

Concert Hall (Kennedy Center): Na

CHICAGO.

Music

Week

4 5 8 7 8 9 10

mately convincing for the rather undramatic and prosaic reason that Halder was sought after and treated well. No moral tale there. (2396200) Laurie Anderson (BAM, 30 Lafayette Av. Brooklyn): World premiere of United States Parts I-IV, by the best known of the New York-bred artist-performers. (6364100)

Toyer (Eisenhower, Kennedy Center): Tony Richardson directs Kathleen Turner and Brad Davis in Gardne McKey's new tense and twisted murder mystery set on a California tennis court (254 3670)

Show Boat (Opera House, Kennedy Center): A cast of 50 from the Houston Opera company led by Donald O'Connor revives the Kern-Ham-merstein musical of 1927 with its brilliant score including songs O! Man River, Bill and Make Believe. (254 3770)

The Imaginary Invalid (Arena Stage): Guthrie Theatre's associate artistic director Garland Wright presents Argan and company with Marc An-

toine Charpentier's original music for Moliere's masterpiece about quackery and hypochondria in the ancien régime. (4883300)

CHICAGO

The Comedy of Errors (Goodman): With Adriana played by world champion baton twirler Sophie Schwab and Luciana by Gina Leishman who has mastered seven must-cal instruments, this Shakespeare could be nothing but a circus, espe-cially surrounded by the Flying Karamazov Brothers and street musicians and jugglers from across America in Robert Woodruff's lively production. (4433800)

Duet for One (North Light Rep. 2300) Green Bay, Evanston); Tom Kempinski's slightly veiled story of the painful and frustrating accommoda-tion of a concert artist to growing debility stars, Eva Marie Saint. (8697278)

E. R. (Organic, 3319 N. Clark): This hitand miss local company has a long-running success with an earnest parody of hospital-based melodra-mas, starring Gary Houston as an ambitious young doctor. Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327:5884)

Shear Madness (Maylair at the Black-stone Hotel): Bruce Jordan and Marilyn Abrams recreating the roles they originated in the hit run of this comedy mystery in Boston and Philadelphia. (266 0252)

Spalding Gray Retrospective (Good-man Shudo): The autobiographical monologuist best known to down-town New Yorkers is an acquired taste outside his natural habitat among the young solipsistic set. (4433800)

ing Karan Armstrong and James King in the main parts. Der Freischütz is a fresh and delightful revival. Hans Neuenfels, the produ-cer of Macht des Schicksals, caused

a scandal by sending acolytes on to the stage in tanks. However, singers Julia Varady and Giorgio Merighi were well received. Further perfor-mances are Madame Butterfly and

Tosca with an all-Italian cast.

Hamburg Staatsoper: Der Fliegende Holländer produced by Wieland

Wagner

in Venice

Venice has not forgotten Richard

Wagner died in the city during Car

vivaginer taset in the cytothing can inval on February 13, 1883. This year's carnival, which begins on February 5 will be partially dedicated to him. La Fenice is putting on Parsi-

fal in German, beginning on Febru-ary 16 and directed by Gabriele

Ferrp. On February 13 itself there will be concerts of music by Wagner

Liszt and their contemporaries, con-

Liszt and their contemporaries, con-ducted by Peter Maag using Wagn-er's baton, which is preserved in Ve-nice (repeated 14 and 15). Hans Jurgen Syberger's film on Parsifal will be shown by its director on Feb-ruary 13. There is to be a ball in

Wagner, Theo Adam in the title role.

Johann Christian Bach's Amadis -rediscovered after 200 years - had

its premiere here this season. It is

produced by Marco Arturo Marellis,

conducted by Helmut Rilling and features Helen Donath and Doris

Soffel Lucia Popp triumphs in the part of Susanna in Die Hochzeit des Figaro. The Magic Flute, an ultra-

modern production by Achim Frey-er had a mixed critical reception.

Wagner's honour the same day.

Vienna's English Theatre (421260): Arsenic And Old Lace (Daily except Sun Theater an der Wien (579632): Anatevka (Duily except Mon)

LONDON The Real Thing (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vent. A tone of serious levity is well struck in Peter Wood's produc tion and the performances of Roger Rees and Felicity Kendal. (8362660/4143).

Other Places (Cottesloe): Triple bill of Harold Pinter plays superbly directed by Peter Hall. Pinter breaks new ground in A Kind of Alaska, Judi ground in A Kind of Alaska, Judi Dench outstanding as a woman coming out of come after 29 years and accelerating from small girl to adult maturity in half an bour. (9282252).

(928/2252).

Noises Off (Savoy): Michael Frayn's backstage comedy is still the funniest play in London, owing small debts to Ratigan's Harlequinade and Pirandello's Six Characters. Brilliantly directed by Michael Blakemore. (838/8888)

The Pirates of Penzance (Drury Lane):
Rudously vulgar Broadway import
that sits Gilbert and Sullivan on a
whoopee cushion. One or two brilliant set pieces, but is all this strengliant set pieces, but is all this strenu-ously arthritic camping about really preferable to the prim stasis of the D'Oyly Carte tradition? (8368108) 4 Charing Cross Road (Ambassadors): Moving, unspectacular account of the love affair by correspondence between a New York Anglophile, Helene Hantl, and the owner of a West Ford bookshop (8361171)

West End bookshop. (8361171)

semble offers Charpentier's rarely-played Louise with Felicity Lott in the title role. (25621). Stuttgart Württembergische Staatsop er: is offering the complete Jean Pi-erre Ponnelle Wagner cycle. This week a revival of Die Walküre con-

Rome, Opera House: Idomeneo and The Nutcracker. Milan, La Scala: Ballet Lieb and Leid to music by Mahler.

**NEW YORK** 

New York City Ballet (New York State Theater, Lincoln Center): The season continues with the mixed reper tory including works by Jerome Robbins, Peter Martins and compeny head George Balanchine. (8705570). Don Quixote (Uris): Rudolf Nareyev,

who staged and choreographed this full-length Boston Ballet production. will dance the role of Basilio oppo will dance the rate of besido oppo-site three ballerinas sharing the role of Kitri: Eva Evdokimova, Laura Young and Marie-Christine Mouis. Nicholas Georgiadis designed the scenery and costumes in the style of the cartoons and paintings of Goya. Patrick Flynn conducts the Symphony Orchestra in John Lanch-bery's arrangement of the Minkus score. The final matinee scheduled for February 6 will be the produc-tion's 100th performance.

Dana Reitz and Dancers (BAM, 30 Lafayette Av. Brooklyn): Quintet rankfurt Opera: The week starts with Carmen, Gail Gilmore did jus-tice to the title role, though Franz

Grundheber is only adequate in the part of Escamillo. Un Ballo in Maschera is conducted by the Young American Judith Somoghi. The Brussels National Opera En-

standing Wagner tenor Peter Hoff-mann and Catarina Ligendza. Also Rigoletio and Der Troubadour with an all-Italian cast. (20321).

Project and a world premiere in mixed programme. (6364100)

#### Opera and Ballet

dtheater (576626): Die Graefin Mariza (Daily except Mon). Lastsoper (5324/2655): Le Nozze di Figaro, Faisteff, ballet: Daphnis and Chloe. The Firebird On Wed and Thur the opera is closed for the Op-

olksoper (5324/2857): Der Fremdenführer. Die Fledermaus, Die Feenkönigin, Der Vogelhändler, Die Lustigen Weiber von Windsor. LONDON

Royal Opera, Covent-Garden: Samson et Dalila, Seint-Saëns' opera in its visually albring Covent Garden realisation. has Jon Vickers and Shirley Verrett (gripping actors, flawed but commanding singers) in the title roles, and Georges Prêtre as employers. (2411088) as conductor. (2401056). English National Opera, Coliseum: A week heavily dominated by Slavonic

opera - Tchaikovsky's Queen of Spades, in David Pountney's grotesque misrepresentation of a pro-duction, and a revival of Boris Godunov in pure Mussorgsky guise -Aage Haugland takes the great title role, Elgar Howarth conducts. Gou-nod's Romeo and Juliet, with John Tralesven and Valerie Masterson its (2333161).

Royal Opera House, Covent Garden:
Sleeping Beauty (Tue and Thur).

BRUSSELS

by Geoffrey Parsons. Brahms and Wagner recital. Barbican Hall (Tue). (6388891). ondon Symphony Orshestra conduct-ed by Ivan Fischer with Zoltan Kocmerman's Die Soldaten with the Frankfurt am Main Orchestra con-ducted by Michael Gielen (Wed). WEST GERMANY

Exhibitions

Berlin, Deutsche Opera: A new Götz Friedrich production of Die Tute Stadt by Wolfgang Korngold featur-

## WEST GERMANY

Smitgari, Staatsgalerie, Konrad Ade-nauer Strasse: Late 16th and early 17th century Italian masterpieces reflect the beginnings of Baroque.

Ends spring 1983.

Winster, Westfälisches Landesmuseum, Domplatz 10: For the first time a museum is staging a joint show of the more than 140 paintings which Paul Kiee, August Macke and Louis Mollliet brought back from a trip to North Africa in 1914. Ends

February 13.

Cologue, Wallraf-Richarts Museum.

An Der Rechtsschule: Emil Galle,
The French craftsman, widely
praised for his artistic style, is celebrated here through some of his
most beautiful glasses and drawings. Ends Feb 6.

Frankfurt, Kunstverein, 44 Markt:
Drawings and paintings depicting
human beings from between 1980
and 1970 by Pier Pasolini, the Italian movie director. Ends Feb 27.
Tübingen, Kunsthalle: 157 drawings,

Tübingen, Kunsthalle: 157 drawings, gouaches, water colours and col-lages by Jean Dubuffet, the French

Art Brut painter and sculptor. Ends

ITALY

March 6.

Avery Fisher Hall; New York Philharmonic, Zubin Mehta conducting, Mozart, Schoenberg (Tue), Zubin Mehta conducting, Hildegard Behrens soprano. All-Wagner programme (Thur), (874-2424)

Carnegie Hall; Royal Saedish Chamber Orchestra, Matz Liljefors conducting, Corolli, Mozart, Mercadants, Bartisk, Nielsen (Mon); Philadelphis Orchestra, Riccardo Muti conducting, Claudio Arrau manist. Florence, Palazzo Pitti: One hundred works from Dresden Picture Gallery. Ends March 4. Bosso, Accademia di Francia: Medi-terranean Picasso, a collection of about 100 works inspired by Medi-terranean life. Ends Feb 13.

Rome, Villa Medici: Mediterranean Picasso. Ends Feb 13.
Rome, Galleria Nazionale d'Arte Mod-erna: Paintings inspired by Garibal-di from Fattori to Guttuso. Ends Feb

Milan, Castello Sforzesco: Italian silks 1450-1525. Ends Feb 28 Milan, Palazzo della Permanente: Twentieth Century paintings includ-ing Sironi, Campigli, Carra de Chiri-co and Morandi. Ends March 27.

LONDON

Walker Art Gallery, Liverpool; John Moores 13 - Britain's first and most important Open Exhibition, which regularly attracts a strong entry from amongst our best contemporary painters. The prizes are generous enough: £8,000, £3,000, £2,000 and ten at £250, but the prestige lies in the selection itself. This year's exin the selection tests in the year the hibition is full of strong uncontroversial painting, both figurative and abstract, with John Hoyland victor ludorim. Ends Feb 20. Beethoven, Drorak, Debusty, (Wed), Getenthesis, (721211): Aban Berg Quartet Beethoven, Dvorak, Bartok (Tue).

The National Portrait Gellery: Van Diyek in England - if not unquestion-ably the greatest, pace Holbein, cer-tainly the most prolific and lastingly



Detail from The Good Shepherd, by Murillo, at the Royal Academy,

influential of our Court Painters, es-tablishing the image of romantic, doorned Cavalier grandeur in its fi-nal years. He could not have done this without an army of studi tants and it is easy enough to recog-nise the fruits of the production line, but he was a wonderful artist for all that. He is a painter's painter, steeped in the works of the earlier Italian masters, and the worthy suc-cessor to his own master, Rubens. Ends March 20.

Whitechapel Gallery:Barry Flanagar

enjoys perhaps the widest or at least the most rapidly expanding in-ternational reputation of the young-er British sculptors. His work of the past ten years evinces a distinctive, poetic, delicately judicious sensibili-ty, whether it is a natural hump of stone just barely marked or a leap-ing here modelled in clay, cast in bronze and brightly gilded. Ends

olitan Museums of Art: Architectural drawings, furniture, photo-graphs and even ceramics comprise the hundred objects of Frank Lloyd Wright's dusted off to accompany the permanent installation of the living room he designed for the is Little House. Ends Feb. 27. (535 7100)

Kelly will becomes better known as a sculptor with this first sculpt retrospective of 40 works dating back to the 1940s and including recent large aluminium and weathering steel works, many never before displayed publicly. Ends Feb. 27. (5703676)

WASHINGTON

National Gallery: On the centenary of Edouard Manet's death, a hundred paintings, pastels and photographs show the growing Interest in Paris among artists of that time, including Munet. Monet, Cailleboree, Danmier, and Vuillard, in this thematic exposition. Ends March 6. Seven major series by sculptor David Smith are represented in the 60 large works in welded metal in-cluded in the exhibit. Ends April 24. CHICAGO

Museum of Contemporary Art: 300 works from the superb modern Russian collection of George Costakis preserves the exuberant hopes of cubo-futurism, suprematism and constructivism through the paint-ings and designs of Kliun, Chasnik, Rodchenko, and Malevich before their exurpation by Stalin. Ends March 13.

- PARIS

his rather sombre collective por-traits of the intellectual elite of his charm with luminosity and colours. Fascinated by music, his illustrations of Wagner and Berlioz are his escape into the world of dreams and phantasy. Grand Palais. Closed Tue. ends Feb 7. (260 3926)

BAUSSELS

er run. Ends Feb 18. Musees Royaux d'Art et Histoires Collection of Delft porcelair. Ends

HOLLAND

Künstlerhaus: Aspects of present day art in the Soviet Union from the Ludwig collection. Ends Feb 25.

Young Doctors In Love, directed by Garry Marshall "This is the way things hap-

pen in India" says the dumpy young landlord of visiting Englishwoman Julie Christie: "Things get mixed up and absorbed." And Heat and Dust, magnificently directed by James Ivory from a script by his long-time collaborator Ruth Prawer Jhabyala, is like a vast bright landscape painting in which the colours have all run and blended, forming magical new

blended, forming magical new shapes.

Ivory's film mixes not just the different hues and textures, sights and sounds, of the country, but two different stories, two different periods. The quizzically beautiful Miss Christie, firm of jaw and auburn of hair, sallies forth into the subcontinent to sleuth out the past of her great aunt Olivia; an English officer's bride who trailed clouds of mysterious scandal back in the 1920s. The scandal back in the 1920s. The old story is intercut with the new. We shuttle freely between present-day Anne (Miss Christie), venturing delicately and surely into the Indian way of life and thought as she picks out her ancestor's past, and hygone Olivia (Greta Scacchi). caught between the corseted mores and crisp pragmatism of the British Raj and the shimmering variety of India herself, enshrined in the handsome, glit-tery, elusive Nawab (Shashl

Kapoor) who finally seduces her. As much as a tale of two cultures, weighing each in the balance. Heat and Dust is a briliantly free-flowing stream of cinematic consciousness. In the soft-lensed diffusions of Walter Lassally's photography — how many ounces of unguent went into giving the images their rubbed and limpid sparkle?— characters are always magically marooned amid the sum of their surroundings.

A trio of English officers jawing over brandy under a night sky—Christopher Caze-nove as Olivia's husband, Barry fellow high-rankers—are a bright brittle British speck amid the vast Indian dark. The emerald-green and rhubarb-red glad-rags Miss Christie festoons around herself make her a piece of the earth and trees. And Greta Scacchla's wonderful Olivia, at once volatile and childlike-pretty with her wide feline eyes and the tugged-down corners of her mouth,

moves through the land like a chameleon taking on different colours. the "irresistible object" of where it was ensusiastically Eastern mysticism and subtle reviewed by Michael Coveney.

scions of the mystic East with whom Miss Christie tangles: the pudgy, sweet-faced landlord cently (Zakir Hussain) who loves her, tour. inner space." There are the strident, anyone-for-tiffin strident. English wives back in the 1920s: Susan Fleetwood, Jennifer Kendal. There is Shashi Kapoor's deft and darkling Nawab, and his hale and caustic Poudrant by Seurat. English friend Harry (Nickolas \* Grace). And above all there are Misses Christie and Scacchi—the

Ivory's irresistible India

Cinema/Nigel Andrews



Julie Christie and Zakir Hussain in " Heat and Dust "

Merchant-have yet made. See it and marvel.

Young Doctors In Lore is a hyperthyroid lark from the comic school of Airplane. Director Garry Marshall and writers Michael Elias and Rich Eustis offer multiple hilarity in "City Hospital," somewhere in the U.S. Young interns and old Hollywood quest stars share out Hollywood guest stars share out the casualties between them, which early on look as if they will include the film's script. Recklessly hit-or-miss, it falls flat on its face at every other hurdle. But since it keeps get-ting up again and galumphing on, it commands our respect for persistence and finally even

persistence and finally even purloins a few guffaws.

I would strike out with a large red pencil the central romance between gifted heintern Michael McRean and beautiful she-intern Sean Young, who has a fatal disease. (Only McKean can constant But Debney Coleman operate). But Dabney Coleman, bearded like the pard, plays the

writer Jhabvala, Jens-wielder daggers at anyone who wears streets during most of Feb-Lassally and Producer Ismail a white cap (sign of seniority) ruary, and away from the exinto the operating theatre except him.

Harry Dean Stanton, with stark eyes and erinaceous hair,

is the urologist prone to dip-ping a finger into the specimen ping a niger into the specimen tube and tasting. And Patrick Macnee pops up to say one jocose line, which is unrepeatable in this newspaper.

The movie is a sample of the "new comedy" in Hollywood, which works—when it does work—by a pon-ston graveshot.

work—by a non-stop grapeshot artillery of gags in which the bad and the bad-taste are freely intermixed with the good and the proper. If a movie like this doesn't win you over to its side early on, with bright flashes of high-volt eccentricity, then the genre can be a disaster: (cf Night Shift). But when charm and energy are on tap, as in the Airplanes and as here, the shambleshanks structure is half the fun and the "badness" of of multiplying returns.

The National Film Theatre is Bank night. Wrap up well.

firm-footed and the vertiginous sides of female exploration.

Heat and Dust is the best film James Ivory and his cohorts—

ments and glancing jealous enough to keep you off the ruary, and away from the existential terror of watching empty advertising space on television.

Cary Grant, Hollywood's great matinee idol, cleft of chin and cleft of voice (who else has contributed such a dazzling hybrid speciality as Grant's Americanized Cockney?) reigns until the end of the month. See Blonde Venus, His Girl Friday and North By North-West on the large screen, if you have never before. British TV drama documentary, another hybrid speciality, offers its rigorous riches in a season including work by Peter Watkins (of The War Game), John Mackenzie (The Cheriot, The Stag and The Black, Black Oil) and Ken Loach (Days of Hope). And last and most connoisseur-beckoningly. Georges Franju. The French surrealist and spinner of dark Gothic fables-Eyes Without a Face, Judex. The Sin of Father Mouret-will send you shivering out into the South

composition by Henze and the

first British performance of

Arcento's one - act obera A

The Aldeburgh Festival-

Snape Maltings Foundation has

announced the appointment of

Oliver Knussen as an artistic

director and member of the

## Hard Feelings at the Bush

Doug Lucie's new play, Hard and Dance at the Palace performed Britten works, the What Ivory offers is a visual Feelings opened last night at translation of an idea of India: the Bush Theatre in London. India is a place where the It was first seen, in Mike Brad"immovable force" of Western well's production, last Novemshapes and certainties meets ber at the Oxford Playhouse, the "irresistible object" of where it was ensusiastically

Eastern nysticism and subtle reviewed by Michael Coveney.

The film, furthermore, has its curry and eats it. The colours, textures and settings are the start of the 1980s, and is ensnaringly beautiful and full of good jokes and acute various, but the characters still observation. The designer, as leap clearly and lithely-sketched from the engulfing the cast, also as before, is Frances Barber, Chris Jury,

There are the two contrasted trendy communal litestyle of a group of from Michael Praced in The Pirates of Penzance from Monday, February 28.

Noone has been playing the role in American productions of "The Pirates."

On the same day Sarah Brightman will be replacing point the role of Frederic from Michael Praced in The Pirates of Penzance from Monday, February 28.

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and the '60s-leftover American
hippy (Charles McCaughan)
who alternately lechers after
and lectures her. "You've got
to get in touch with your own
femininity, Anne. with your own
femininity, Anne. with your own
have space." There are the ruary and March to celebrate public collections the chance to buy it. Folies-Bergere by Manet, La Montagne Sainte-Victoire by Cezanne and Jeunne Femme se

The painting, on copper, has a long history of association with the UK and may have been here since the mid-17th century.

Andrew Lloyd Webber's Song performances

pened last night at Theatre from Monday, February first public performance of a 28. She is replacing Marti Webb, who leaves at the end of her contract.

Peter Noone, former singer Waterbird Talk. with Herman's Hermits, will The Aldebur

Brightman will be replacing Bonnie Langford in the role of Kate in the Theatre Royal. Drury Lane, production.

Paul Channon, Minister for the Arts, has suspended a licence to export a painting by Johann Rottenhammer, The Coronation of the Virgin, for three months to give British The painting, on copper, has

Foundation's inner artistic planning committee. Mozart's Cosl fan tutte is to receive the Japanese treatment by an English operatic group.

A new production of the work is to be performed in a Japanese setting by Opera 80

> the £14,000 outlay. Director Stewart Trotter says that the opera's moral of women's infidelity was incompatible with a modern society. so obstructing the work's true humour. The work would be performed in English.

-with the necessary silk costumes costing £9,000—out of

Martini Rossi and the Arts contrant by Seurat.

\* Council, are sponsoring Opera

This year's Aldeburgh 80's tour of Così and Die

Gema Craven will star in Festival will include three Fledermaus, which opens next

andrew Lloyd Webber's Song performances of rarely month and ends in April.

#### F.T. CROSSWORD PUZZLE No. 5,089

1 Loud Verdi composition full of fire and passion (6) 4 Good opening with scope for clever move on board (6)

none too proud of it (7) 9 Pray the change will do you good (7) 11 There's a fatal catch in them

12 A mother and father figure 13 He is finally snookered in return (5)

14 One keeps it in reserve (8) Maintained unusual tidiness 18 Half a minute or less (5)

23 Daring type of blazer? (7) 24 A fabric in dispute (2, 5) 25 Want the French to annoy 26 Greek-Cypriot union is one's 10 He stands, vishing to sit (9)

. DOWN

1 Put us in charge of the 17 Strained to define decimal match (5) 2 Letter from America? (7) 3 Features in many a police

6 Shaw's major character (7)

Solution to Puzzle No. 5,088 7 Performer (an depart in con-

15 Natural, uncomplicated and not affected (9) point (7)

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**NEW YORK** 

Whitney Museum; Painter Ellsworth

Fantin-Latour (1836-1904), 150 paint-ings, pastels, drawings and litho-graphs bring home some unsuspect-ed facets of his art. Best known for

Société Générale de Banques: Pierres et Rue 1780-1980. The success of this exhibition has prompted a long-

Rijksmuseum van Oudbeden. Leiden: Egyptian hieroglyphics on papyrus up to 4,000 years old. Ends April 4.

ACROSS

8 Am in a rough outhouse and

(5, 5)

20 Labour staged a walk-out? (4) 21 Community payment (10)

design (6)

investigation (9) 5 Fly from a ship (5)

fusion (3-6) 13 I landed awkwardly on a plant (9)

19 A ruthless overtaker from Meissen (7) 21 Waves get ligger (5)
22 English names, no French
ones (5) BRACKEN HOUSE, CÁNNON STREET, LONDON EC4P 48Y Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone; 01-248 8000

Friday February 4 1983

## Australia's key issue

EVENTS MOVE swiftly in Australians are pioneers in the tralian politics, so that yester-day's issues are often forgotten shorter working week without the next morning. However, the offsetting reductions in labour double dissolution of Parliacosts. The drive for high wages ment, and the calling of a general election for March 5 not matched by corresponding offer reasonably charing ores. offer reasonably cheering prospects that the electorate may lians' propensity to strike has indeed address itself to the now reached the proportions of central issue identified yesterday by Mr Malcolm Fraser, the

been no shortage of issues, from rising unemployment to the entry of foreign banks, the mining of uranium to the building of a controversial dam in the Tasmanian wilderness. Yet the odds were always short that Mr Fraser would choose to go to the country on the issue of the unions, for it is wage inflation and deteriorating productivity that have harmed Australia's competitiveness and added to its burden.

The economy is not in good shape, despite massive inflows of capital attracted by the prospect of investing in natural resources. Inflation is running at an annual rate of 11 per cent, and unemployment heading for 12 per cent. The severest drought in 200 years is harming exports, and the depressed state of the minerals trade has caused a collapse in profit and layoffs in manufacturing. More depressingly, the recession has caused the abandonment or post-

projects.
That is not a permanent worry. Australia is set to become one of the world's top minerals suppliers. With its well-trained workforce and its fierce addiction to democratic values, it will continue to

attract foreign investors.

But as the recent OECD report pointed out, wage infla-

The country is experimenting The country is experimenting with a wage pause, imposed by the Liberal-National Party coalition Government of Mr Fraser. Yesterday, capitalising on the continued disarray within the Australian Labor Party, Mr Fraser said that a concerted attempt by the unions, backed by the Labor Party is experimenting with a wage pause, imposed by the Liberal-National Party coalition Government of Mr Fraser. Yesterday, capitalising on the continued disarray within the Australian Labor Party, Mr Fraser said that a concerted attempt by the unions, backed by the Labor Party is experimenting with a wage pause, imposed by the Liberal-National Party coalition Government of Mr Fraser. by the Labor Party to break the wages pause, was divisive and destructive. He said the pause was introduced with the agreement of the seven state govern-ments, and endorsed by the Arbitration Commission:

The problem, for Labor, that it has not yet articulated its economic policy. It recently re-arranged its senior spokesman, and yesterday jettisoned its leader, Mr Bill Hayden, in favour of a successor, Mr Bob Hawke, who has barely a month in which to finalise and present

an alternative economic strategy. Australians have not forgotten the debacle of the sacking of the last Labor Government led by Mr Gough Whitlam by their Governor General in the mid 1970s. Under Mr Hayden the party was riven with feuds. Last year, Mr Hayden thwarted Mr Hawke's challenge, but Mr Hayden's performance in recent weeks has been totally eclipsed by that of a Prime Minister with the lust for battle in his eye. Mr Fraser is admired for his political skills, if not for his

promises to be ugly, even by Australian standards, the country may well stick with him. He is certainly right to insist that he cannot govern Australia constructively unless the probtion is still deeply rooted lem of unrealistic wage demands within the system, while is faced up to .

## Money market politics

NO DOUBT there is much to banks, but on the transactions criticise in the operations of the British clearing banks. But to blame them for the recent rise in short-term interest rates, as Mrs Thatcher apparently chose to do at a lunch with clearing bank chairmen on Wednesday, is taking things a little far.

The original cause of the grievance was Barclays Bank's decision to raise its base rate when the Prime Minister was away in the Falklands. It was said to have made its move without waiting for the appropriate signal from the Bank of England. So much the better, then, that Mr John Quinton, senior general marager of Barclays, was ready yesterday with a rejoinder.

Mr Quinton declared, to some point, that the Bank of England's policy since the abolition of minimum lending rate in 1981 had been to allow market forces a greater role in deter-mining the structure of shortterm interest rates; and that the chief determinant of the banks' base rates was the marginal cost of bank funds as reflected in the inter-bank market.

He went on to argue that the rate at which the Bank of England intervenes in the mar-ket has no direct impact on the clearing banks' judgments about base rate, except to the extent that its actions moved money

between the monetary authorities and the private sector.

To go from there to assert that the clearers' role is largely passive and responsive is to move into slightly more contentious territory. Any bank that leads the change in base rates will tend to anticipate the trend in money market rates as Minister seriously suggesting that the banks should refrain from exercising judgment in this way?

It is not unusual for politi-cians to look for a scapegoat when markets pass an unfavourable judgement on their poli-cies. Little more than a decade ago another Tory Prime Min-ister irately castigated leaders of British industry for falling to invest. So, too, with central bankers; Dr Arthur Burns, when at the Federal Reserve, was known to express pungent views to individual banks about their changes in prime rate.

If the present incident has caused surprise, it is probably because people tend to think of Mrs Thatcher as the bearer of the monetarist, free market gospel. Far from it; no mone-

tarist, nor indeed any other kind of economist would support the notion that interest rates, money supply and the ex-change rate can all be control-led at one and the same time. market rates generally. In the She is a politician, not an econfinal analysis conditions in the omist—and it would be foolish market depended not on the to forget it.

## **Export subsidies**

OFFICIALS OF the Treasury are reported to have expressed concern about the cost-effectiveness of the official subsidies used to promote British capital goods exports. Their concern is justified and deserves a more considered response than has so far been forthcoming from Ministers. It has been too readily assumed that the sub-idication of conital grandsidisation of capital goods exports, whether through arti-ficially low interest rates or in ncially low interest rates or in other ways, is an essential weapon in Britain's trade armoury and that, without it, unemployment in the capital goods industries would be even higher than it is already.

The familiar argument is that other industrial countries do the same and Britain cannot afford an act of unilateral disarma-ment. It is true that subsidies have now become deeply individual ministers when major entrenched in the world trading overseas contracts are won, but entrenened in the world trading oversteen contracts are a system. As is shown by the long arguments over the OECD balance between costs export credit consensus, it is extremely difficult to bring try needs to be assesse these practices under interfully and more openly.

national control. But the extent of subsidisation in many industrial countries goes further than

support for exports.

In sectors where state-owned In sectors where state-owned undertakings are the dominant purchasers capital goods producers have a captive market which is virtually closed to foreign suppliers. The price these undertakings pay for equipment is higher than it would be if they were free to buy in the world market; this in turn raises the price they charge to their own customers. It is not obvious how tax-It is not obvious how tax-payers and consumers in the exporting country benefit from exporting country benefit from this pattern of protected highprice domestic nurkets and subsidised low-price overseas markets. Industrial countries including Britain are engaged in a mercantilist competition which may bring kudos to individual ministers when major overseas contracts are won but which imposes heavy costs. The balance between costs to the taxpayer and benefits to indus-try needs to be assessed more

siderable misery without apparently suffering from any great degree of public renorse. Yet at the same time it is

OR the past three weeks, Nigeria seems to have

chronic case of schizophrenia. It has managed to expel hundreds of thousands of migrant workers in conditions of c

Yet at the same time it is going through intense soul-searching over the scandal of a fire which gutted the largest office block in Lagos, leaving the country temporarily without telephone and telex links to the outside world.

The expulsion of the Chanaians and other West Africans who had flocked to Nigeria for jobs over the past 10 years of oil boom is regarded as the legitimate action of a sovereign state, even though it sovereign state, even though it was done without warning and without consultation. Criticism has focused on the manner, but not the principle, of the

exercise. The suspected arson in the headquarters of the Nigerian External Telecommunications (NET) corporation, apparently to cover up a fraud in the organisation's accounts, has shocked Nigerians far more. It

is seen as a national disgrace, a grievous blow to national pride, and as conclusive proof of the chromic corruption and inefficiency of the country's public service. It even precipitated an unprecedented student demonstration in the streets of the capital demanding the removal of President Shehu shagari's civilian government, rule. But it is a decision which and the return of military rule.

Both those events have effectively been made caused another matter of parascaused anothe mount importance to the econ-omic health of the nation to be omic health of the nation to be passed over with barely a comment—the renewed slump in Nigeria's oil production. Only the top civil servants and businessmen have been watching, mesmerised as the disarray in the Organisation of Petroleum.

exporting Countries (Opec) has once more made Africa's oil giant the centre of the market battle over the price of crude. Of course, the decision to expel the illegal aliens is directly related to the glut in the international oil market, and the resulting plight of the

For two years now, oil production has fluctuated at levels far below the 2m barrels a day (b/d) on which Nigeria's ambitious economic plans were once based. Both foreign exchange income and government revenues have been slashed, activity, and in turn resulting in sharp increase in urban unem-

Public attention inevitably focused on the presence of migrant workers, who had taken on thousands of lowly-paid jobs in construction, textile factories, hotels and domestic service iohs which in normal circumstances most Nigerians would consider beneath their dignery. Nonetheless, the import When Alhaji Ali Baba, the restrictions have gradually Minister of Internal Affairs, begun to take effect: monthly made his announcement on imports came down during the **EXODUS FROM NIGERIA** 

## Scapegoats for an oil glut

By Quentin Peel in Lagos



The exodus in full flight: Ghanaians arrive at the Beniu-Togo border just 100 miles from their homeland

January 17 that the migrants had two weeks to leave, it came without warning—even to some of his Cabinet colleagues—but it came as no surprise.
Few doubt that the decision

on the forthcoming elections— the first since 1979, when President Shagari was elected to take over after 13 years of military ccuntry.

The exodus is not going to The exodus is not going to solve Nigeria's economic problems, even if it buys a momentary breathing space. The slump in oil production has already taken too great a toll. While average production throughout 1982 ran at 1.3m b/d, producing revenue of around \$1bn a month, imports remained stubbornly above N900m (\$1.35bn), in spite of austerity measures introduced by President Shagari in April. Foreign exchange reserves were already down by then to around N1bn (\$1.5bn), or little more than one month's import

Nigerian economy, as much as it is to the forthcoming national The books have been balanced, therefore, only by an everincreasing delay in payments of

Although the figure is hotly disputed by Government officials, the extent of those trade arrears is widely estimated by bankers at around \$5bn—the equivalent of three months' imports at the te prevau Because of the continuing low level of oil production throughout the year, with only a slight respite in June, when it topped 1.6m b/d. Nigeria has been unable to reduce that backlog at all. Although foreign exchange reserves are still officially stated to total around N1bn, that figure is obviously purely notional.

year from N1.2bn to less than were forced to leave, construc-N900m. were forced to leave, construc-Officials maintain they are off their workers in large now down to N800m and new numbers. The simultaneous cutimport restrictions introduced back in imports has hit both on January 1—putting the vast spare parts and raw materials on January 1—putting the vast spare parts and raw materials majority of goods under strict for industry, and there again, import licensing—are likely to lay-offs have been announced cause a big drop in this month's

The Government's stated target is to reduce all foreign exchange outflows to a rate of N600m a month—including loan repayments, which means visible

trade of a lot less.

The real reason why imports have started to drop, however, is not the Nigerian Government's administrative efforts. but the response of the inter-national banks to the country's trade arrears. Virtually all the major banks heavily involved in Nigeria have simply stopped confirming letters of credit, and only the smaller banks are prepared to take on new

The local economy is being hit in two ways. The shortage of Government revenue — nor-mally more than 80 per cent comes from oil - has meant that major public spending contracts have slowed down across

tankers scheduled to call at in most parts of the country. We are experiencing some

thing which has never hap-pened in Nigeria for 10 years: a downturn in consumer demand," according to a senior executive in one of the largest trading houses. "Unem-ployment is beginning to bite Hence the reason for this enormous pressure from the unions and others on the aliens. And unemployment will get worse. The import restrictions are crippling local industry, whatever their intentions are tion. It may take years to get

industry moving again."

If all things had been equal, and the oil market had held, Nigeria might have hoped to get its balance of payments under control in the course of under control in the course of 1983. But fate has been cruel.
Oil production in January is get an agreement before last likely to total little more than month's Geneva meeting.
He failed because of the Saudi Arabia and figure since August, 1981, and oil company officials predict, on the basis of the number of

Nigerian export terminals, that February will be lower still. "Production used to be underpinned by long-term contracts." according to one company executive. "Most of pany executive. "Most of those finished at the end of 1982, and have not been re-newed. So production fluctunewed. ates according to the arrival of tankers. Nigerian

"The Nigerian National Petroleum Corporation (NNPC) still has some Government-togovernment contracts, but the independent traders are buying nothing. The only ones to have continued lifting are the major companies, and most of them are phasing out (their con-As a result, Nigeria is now the Opec member whose oil pro-

duction is furthest below its quota-set last year at 1.3m b/d —and is therefore most urgently in need of an Opec agreement. Indeed, Mallam Yahaya Dikko, the president's oil adviser, who is also the current Opec presirefusal of Saudi Arabia and the other Gulf oil producers to agree to new production quotas unless the African states—

s34 Saudi marker price. we have still got the saliens in Nigeria about "The expulsion of the aliens of economic duction-sharing agreement the last straw," according under the existing price structor former top civil servant.

picking a quarrel in Geneva, and go to the IMF after the were trying to force Nigeria to elections."

take the lead in cutting oil prices, in spite of the very real danger that this could precipitate an uncontrolled downward

tion for Nigeria to cope with, if the country is to pay off its backlog in trade arrears, it clearly needs a very substantial balance of payments loan.

Saudi Arabia has indicated its willingness to find at least some of the money, and talks have continued on and off for the past year. But, if Nigeria takes the Saudi loan—which could amount to less than \$1bn, not the \$3bn once being mooted— it would almost certainly have to tow the Saudi line.

There are two other possible sources of balance of payments finance — the International Monetary Fund (IMF) and the commercial banks. However, top Nigerian officials remain adathe Fund for money because they are convinced it will de-mand a devaluation of the naira in return. They consider such condition would be politically disastrous before the election.

On the other hand, it seems highly unlikely that the commercial banks will agree to put together a major package without an IMF programme of stabilisation to underpin it. There is also the problem of the un-

Meanwhile, the most senior Nigerian Government advisers are by no means convinced that a loan is the right answer. They apparently fear that it seeking re-election to go on a spending spree. As one senior official put it: "Perhaps we should learn how to fast."

That attitude is quite common in the upper echelons of the country. "I believe the next 18 months will be very tough indeed, with no real growth. says Chief Ernest Shone chairman and chief executive of the United Africa Company (UAC). "I believe very strongly we have to go through all this. For the last 18 months, people have been worrying about how to spend money, not how to make money. We must go through this kind of discipli-nary action to take the scales out of our eyes."

Others are doubtful austerity will change very much. Perhaps naively, I had thought that these economic problems might make people get their act together and behave differently," one oil Algeria, Libya and Nigeria promised to increase the premium they charge above the mium they charge above the company executive said. "But we have still got the same old

jection of a straightforward pro-duction-sharing agreement the last straw," according to a mader the existing price struc-former top civil servant. "It ture, which puts Nigerian oil was a traumatic experience, just \$1.50 above the marker and another visible sign of the

price.

Both Governments and company officials argue that any move to increase that differential would be suicidal in the present market.

There is a strong suspicion in Lagos that the Saudis, by the suicidal in General to have to swallow their pride of the IME after the strong the strong a quarted in General to the IME after the strong to the IME after the strong to the strong the

## Men & Matters

#### Steel stock

Ian MacGregor, chairman of beleaguered British Steel is giving rapid preferment to one of his brightest young men, David Prior, 27-year-old son of Jim Prior, the Northern Ireland

David Prior moves soon to David Prior moves soon to Halesowen, Birmingham, to learn the key trade of steel stockholding under the experiencd tutelage of Cliff Keeler, managing director of British Steel Service Centres for the last ten years. At the end of the year Keeler will retire, shortly before becoming 80, and Prior will take over as chief executive of the £200m-ayear business.

raditionally the best steel management jobs have been reserved for men with dirt under their finger nails, engineers, and sometimes accountants. MacGregor sees the industry rather differently. He found Prior, a barrister by training, at Lehman's the bankers, took him to Lazard Freres in New York, and then made him his personal assistant made him his personal assistant at British Steel.

Prior will be running a business with about 11 per cent of the British steel stockholding trade—which handles altogether of the British steel stockholding trade—which handles altogether about half the steel sold in Britain. As bulk steelmaking has declined and direct sales from mills have fallen away the role of stockholding has become increasingly important British Steel's business.

Prior could hardly have a more able teacher than Keeler who was himself wooed from the private sector (he was a Miles Druce director) to build up British Steel's stockholding arm. He is one of the few steelmen in Britain who can move with acqual accurates in move with equal assurance in both the public and private

down his own marker to serve a second term as chairman from

#### Charity afloat

Hong Kong shipowners C. H. Tung, in Glasgow yesterday for the launching of his new £15m bulk carrier by the Queen Mother at Govan, bravely put a humorous gloss on the current trials of the shipping industry. Today's shipowner, Tung de-

fined as " someone who always gets his facts wrong, is per-petually very poor, and only makes money by accident or good luck not by design." Shipbuilders, he said were

"people running the biggest charity organisation . . . trying to give ships away for nothing." But the charterers—including, presumably, Canada's Alcan which is chartering the Alcan which is the latest addition to Tung's fleet— he added, were "white nights." bringing relief to the industry despite their own troubles in the recession.

#### Paul's friend

For those fascinated by the inner workings of power this year's Indian Republic Day honours list holds an important

Two foreigners received the country's third-highest honour—the Padma Bushan. Unsur-—the Padma Bushan. Unsurprisingly one was Richard Attenborough for his film Gandhi. The other is a mellow naturalised Briton of Indian origin named Swraj Paul.

Paul's special role is that he is one of a tiny number of people who have made friends with, and have remained close to, India's prime minister Mrs Indira Gandhi.

Paul is more familiar to the

move with equal assurance in both the public and private domains of the industry.

MacGregor, by placing perhaps his favourite young man in haps his favourite young haps his favourite y



"Just rub this on and they'll disappear quicker than Timothy Whites"

under his direction has diver-sified and prospered with steel tube production in South Wales, hotels, prime London property, and ship management.

He has just been doing what came naturally. His family roots go back to the little Punjab town of Jullundur where his father started making imple-ments in a home-made foundry and sowed the seeds of a big industrial conglomerate in industrial India.

Ostensibly Paul received his honour for helping to organise the successful Festival of India in Britain last year.
But the probability is that Gandhi's gesture was more deeply personal. Paul has be-come so close to India's prickly leader that he can by-pass the bureaucracy that surrounds her. When she went to Washington recently for her fence-mending visit with President Reagan she asked Paul to go with her. She frequently calls him in London for advice. His views on how she might react to sensitive situa-

sists with a twinkle in his eye "by nature a politician." Mrs Gandhi has more than once tried to persuade Paul to take top Indian official position. On her return to power in 1980 he was offered the choice of being High Commissioner in London or Ambassador to Washington. He refused both

Production

Those who know him and Mrs Gandhi believe the key to their close relationship is to be found in the fact that he has proved over the years that he wants nothing from her.

#### Hoff break

Things change so fast in Cali-fornia's Silicon Valley that few moves cause much surprise. But Ted Roff's decision to quit chipmaker Intel to become vice-president of research and president of research and development at Atari, the video game and home computer company, bas caused a real stir. Hoff was regarded as an Intel fixture. He was one of the company's first handful of employees, invented the microprocessor at his drawing board there, and after constantly refusing any promotion outside his research role was honoured with the title of Fellow of Intel. As one of Intel's highest-paid men and also, it is believed, a substantial stockholder, col-leagues reckon that Hoff must have been able to name his own price to join Atari.
But that is unlikely to have

been a major consideration, they say. And Hoff confirms it.

"As a technical person, I am drawn to places where interesting things are happening," he says, "things that will influence society.

society,
"In 1968, that was Intel.
Today it is Atari. Atari is bringing computing into the day-to-day lives of everybody, bringing computing to children-where the future lies."

Observer

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Henderson. The Investment Managers. POLITICS TODAY

# Third force in the Tory Party

By Malcolm Rutherford

DISCUSSION of the British much less internationalist — Conservative Party nowadays more at home in the Bow tends to focus on two groups— Group in Birmingham than very broadly speaking, the (say) the United Nations or Thatcherites and the paternalists, sometimes inaccurately Fund. described as the dries and the wets respectively.

one Nation" and a belief that governments ought to do the best they can in adverse circumstances for as many of the people as possible. They incline to be more internationalist in outlook, generally more liberal and can be somewhat snobbish

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about the Thatcherites. During the present admini-stration it is plain that the paternalists have been losing: Mr Norman St. John-Stevas was sacked, Mr James Prior was sent to Northern Ireland and Lord Carrington resigned. And it is quite possible that there will be no new Pyms or White-

It does not have its philosophy on moral conviction

People with old wealth and relatively liberal views, and ready to go into politics, do not seem to exist any more. A generation

is passing.

Yet there is a third group in the party which has received less attention. Its leading representatives are Sir Geoffrey Howe, the Chancellor of the Exchequer, and Mr Patrick Jenkin, the Secretary of State for Industry.

described as the dries and the wets respectively.

The Thatcherites tend to base their political philosophy on good housekeeping, on almost balancing the budget, as honestly admitted. They are strong on law and order, not overly sympathetic to other races and more than a little nationalistic, even if their own word for it is patriotism.

The paternalists, as exemplified by Mr Francis Pym or Mr William Whitelaw, have no great political philosophy as such beyond a vague reliance on "one Nation" and a belief that governments ought to do the lest they can in adverse circumstances for as many of the people as possible. They incline to be more internationalist in outlook, generally more liberal and can be compowhart southlish. That is now changing. Sir

victory at a general election.

It can be argued that the
Howe-Jenkin axis is among the
most important in the Cabinet. For not only are they old friends from Cambridge, shar-ing a similar belief in a gradual, patient approach to change; they also control two of the major Departments. Industrial policy could almost be made between them. Thus Sir Geoffrey was happy to leave the recent discussion of the steel industry almost entirely to Mr Jenkin in a way that he might not have been if someone else had been at the post. "Don't ask me, ask Patrick," he would

But there is more to it than that. Along with Mr Cecil Parkinson, the Party Chairman, Sir Geoffrey is overlording the preparation of the next Tory Manifesto. Mr Parkinson will present the property of the present the present of the present with present the present with present the present with present the be more concerned with presen-tation and selling. Sir Geoffrey is the ideas man. Moreover, he is one of the few leading figures in the party to have been giving much detailed thought to the future.

In all the talk about the need to bring more outside This group differs from the Thatcherites in that while it on commic policy, it, is more pragmatic. It does not base its conviction. On social questions political philosophy on moral conviction. On social questions it tends to be more permissive. It used to differ from the paternalists in that it was its effect of the control of introducing political advisors.

In used to bring more outside that it is a throwback to the advisors into government, it is a throwback to the advisors into government, it is a throwback to the advisors into government, it is a throwback to the advisors into government, it is a throwback to the advisors into government, it is a throwback to the advisors into government, it is a throwback to the advisors into government, it is a throwback to the advisors into government, it is a throwback to the advisors into government, it is a throwback to the advisors into government, it is a throwback to the advisors into government, it is a throwback to the advisors into government, it is a throwback to the advisors into government, it is a throwback to the special public spending and others set out providing the best conditions for growth, while doing what Policy Review Staff which discussed it was judged to be too detail. The Health Service is safe with us," Mrs Service is safe with us," Mrs



That is one reason why the latest issue of The Journal of Economic Affairs\* is so interesting. It includes an edited version of Sir Geoffrey's Cambridge lecture last summer, now called "Agenda for liberal Conservatism," followed by comments from various economists of all political persuasions and none, and a rejoinder from the Chan-

The title is striking in itself. No-one is quite sure how it came about. Sir Geoffrey says that it is a throwback to the old Bow Group days when be, Mr Jenkin and others set out

servative attitudes to economic policy have moved from policy have moved from Butskellism or Macwilsonism."

"demonstrates how far Con-

rejoinder provides the biggest clue you are likely to find about rates.

sions made in the past. Sir Geoffrey writes: "The rise problem. Whom does one in public spending as a share believe — the Conservatives of our national income is in who say reassuringly that of our national income is in some measure long-run phenomenon, and not one unique to Britain. But it is the postwar growth of spending in the 1950s and 1960s with whose

contend." The problem of course, be-came more acute with the slow-ing down of economic growth in the 1970s. As this week's White Paper reminds us, even under the present Government, despite all efforts to curb public spending, it rose from 40.5 per cent of GDP in 1979-80 to 44.5 per cent in 1981-82.

There are also pressures which mean that the demands on public expenditure will go on increasing: for example, demographic change or what one writer calls "the greying of the population." There will be more old people to be looked

I do not think that anyone would seriously deny that Sir Geoffrey is talking about fundamental issues for the political future or that the problems will become even more acute if there is no resumption of economic growth.

Yet by exposing the prob-lems, the Chancellor has raised a dilemma for the Tury Party. How far should it go in attempting to outline the answers in the election Manifesto?

Sir Geoffrey himself is tantalisingly vague. He is in favour of more deregulation,

more privatisation, more pri-vate health insurance. He flirts with the idea of a voucher system for education and of What you get is an attempt student loans rather than to combine the free market student grants. It is also quite ideas of the Institute for clear that he is again begin-Economic Affairs with a permis-sive approach to social policy, modest but sustainable econo-That is liberal Conservatism or mic recovery — though the the third strand.

mic recovery — though the principal fear here is that the American budget deficit will lead to another rise in interest

the theme of the forthcoming
Budget: "The most acceptable approach is to continue restraining overall public spending and ment has already chosen to Yet once the genie is at least

ment. But there is a credibility nothing much will change, or those who warn that there will be terrible trouble ahead if change is not radical? The Conservatives could also

momentum we now principally be immensely vulnerable in an contend."

The problem, or course, bepromise to abolish the Health service, dismantle the welfare state, indroduce vouchers for education or not? None of those questions are entirely easy to duck. Yet a straight answer could turn out to be embarrassing, either way.

sing, either way.
There is another point, raised There is another point, raised by Professor Michael Beenstock, an economist at the City University, in one of the responses. "Liberal Conservatives," he writes, "have highly developed and constructive views on the alleviation of poverty. They also have highly developed views on economic growth and effi-

on economic growth and effi-ciency as well as the freedom of the individual. By focusing attention on the alleviation of poverty through liberal Con-servatism, the chances of dispelling habitual modes of feel-ing would be considerably contanced. By focusing instead on efficiency and liberty the natural concern is: efficiency for whom, liberty for whom?...

New subjects to the mainstream of political debate

They have to show how liberal Conservatism and compassion are complementary rather than

One could hardly improve on the comment, and the Chancel-lor acknowledges its force in his rejoinder It is possible that Sir Geoffrey

is being remarkably astute in believing that he can open up new subjects to the mainstream of political debate and that gradually the electorate will begradually the electorate wall become educated to accept them.
That would be typical of the
man and his methodical
approach to politics. But my
own view is that having gone
thus far, he ought to go further
and spell out his ideas in more
detail. The next Concernation

#### Lombard

## **Protection from** Chicago

By Nicholas Colchester

INFORMATION that is widely to the accepted wisdom of the perfect and rational prices for any commodity or currency.

Yet the facts suggest otherwise. The major disappointment and demand. of the ten-year experiment with floating currencies is that exchange rates have proved so volatile and have so seldom seemed able to settle at reasonable levels. Commodity prices, too, have become more mobile and more illogical. My colleague John Edwards described on Wednesday how the point-andfigure men, wired up to com-puter models, have recently pushed copper prices up in the face of stocks in the London Metal Exchange warehouses that are at a four-year high— and still climbing. These phenomena seem to re-

inforce my long-standing hunch that the perfection of modern markets is an important cause of their instability. Today's in-stant-information, instant-trans-action markets behave like mechanical systems devoid of friction or of damping. In each market large weights (speculative capital) are linked by weak springs (the fundamentals of supply and demand) and the whole shuddering blancmange is subjected to the impact of unfolding events. Ideally such a market should glide smoothly between positions of perfect equilibrium for each new situation: in practice it wobbles hope-lessly beyond and around them.

The rapid rise of the com-modity and financial futures markets is the latest development in this process of theoretidiscomfort. Leverage, or gearing, is a key characteristic of these markets. The hedger or speculator has to put up less than ten per cent of the value

and rapidly available, case of trade, adds a diversity of view. entry into markets with many So gearing, via liquidity and participants and of great liqui-diversity, should stabilise the dity—one would hope and market. Yet in practice these imagine that these were the in- benefits are outweighed by the gredients needed to produce way that speculative capital is given still more influence over

the market's prices relative to

the underlying flows of supply Take the gold market. Even without a futures market the price of gold is dominated by movements of capital rather than by physical supply and demodity. Yet gold market experts say unequivocally that the rise of the futures market has increased the influence of specu-lative capital and increased the volatility in the price. The ex-tent of the rise in the gold price from \$300 (£197) an ounce in June to almost \$500 in Septem-ber is said to have been due to covering of short positions by Middle Eastern investors in the

gold futures market. Futures markets and spot markets remain closely ned because there is a continuous possibility of arbitrage between buying a commodity for delivery at a future date and buying it today and holding it till that date. So the capital attracted by the leverage of the futures market increases the volatility of the underlying spot market. This is, on the face of it, a disappointing result for those who imagined that futures trading would somehow "improve" a market by giving risks to those who want them and by taking risk away from those who do

The paradox is that futures markets have indeed made markets safer for the individual. but stormier and less predictable as a whole. By mobilising speculative capital they have made it easier for the user or producer of a commodity to hedge, but they have also made it more necessary for him to hedge. Futures trading is a con-tribution to the manic modern market that comes fittingly from Chicago: protection is readily available to the innocent depth. It is also thought to for a small fee, and life will attract the outside investor prove extra uncomfortable who, because he is not party without it.

## Letters to the Editor

something to be said for the rule of law? Palm-tree justice have virtual autonomy in these may be good enough for primitive societies; but the City deserves something better.

#### Lack of Government support for Airbus A-320

From the General Secretary, Technical, Administrative and Supervisory Section, Amalgamated Union of

Amalgamated Union of Engineering Workers.

Sir. — Despita the steep decline in givil aircraft salus, Airbus Industrie, the European consortium in which Britain has a 20 per cent stake, has proved an outstanding success. The French Government has been the linchpin of the partnership, supporting the existing Airbus models and the projected Airbus to the hilt, and encouraging the French national carrier Air France, to order the new aircraft. The British Government on the other hand has done little to support the project.

bid ruling

Takeover Panel's

From Mr R. Instone ...

And what is the Panel to be

understood as meaning by a "condition to which an offer is subject"? The effending provision is a paragraph in the form of acceptance operating as the appointment of a Bassislaw remines as province as province

nominee as proxy at certain UDS meetings which plight be held before the offer becomes unconditional.

Such a provision may be in principle undesirable (there are obviously arguments both

Sir,—As grussee-shareholder Raigh Instone.

in UDS Group I am unimpressed by the Bassishaw offer. But I am appelled by the Takeover Panel's ruling, the provision entitling Bassishaw to rule any assented shares is "inconsistent with Rule 8 of the City Code."

The rule provides so far as Council (January 21)

Rute 8 of the City Code.

That rule provides so far as material, that all conditions to which an offer is subject must be stated in the formal announcement of a firm intention to make an offer. Is it now the Panel's view that all the additional terms and conditions in normally consigned to an appendix to an offer, or contained in the form of accept ance, must be included in the announcement?

Is succeeding the City Code.

Council (January 21). I am currently enquiring into the published annual accounts of a firm intention to make an offer. Is it now to say that my impressions so far—in addition to studying the annual accounts I have made taspection visits to the head, and some sub-offices of both councils—are that, far from removing entirely the control by central government, what is urgently required is a much

rand, Aerospatiale chairman, with the West German and British backers (January 28) is shared by most British Aerospatiale with the West German and British backers (January 28) is shared by most British Aerospatial with the West German and investing in a many participation of the Sizewell B inquired with the west german and investing in a participation of the Sizewell B inquired with the west german and investing in a participation of the Sizewell B inquired with the west german and investing in a participation of the Sizewell B inquired with the west german and investing in a participation of the sizewell B inquired with the west german and investing in a participation of the sizewell B inquired with the west german and investing in a participation of the sizewell B inquired with the west german and investing in a participation of the sizewell B inquired with the west german and its because the French Government of the sizewell because the space workers? Representatives from AUEW/TASS have seen Norman Lamont twice, the last time on January 19, imploring the Government to support the A-20. Because British Accordance county the A-20. Aerospace cannot guarantee a percentage return within a finite period—and it would be impossible to do so in the pre-sent climate—the Government

refuses to back the project. Asceraft development is risky
a "sporty" business as some
insiders call it. The Government done little to support the pro-ject. Space to take all the risks. The Is it any wonder that the French have now overtaken.

Sir,—I would like to take issue with Mr Easteal of Harlow

urgently required is a much more positive and direct con-trol: more positive in fact than the present control over rate

Staffing strengths, salary and additions thereto (such as non-contributory life assurance, favourable travel and subsistence) scales of costs of accommodation and office faciliary.

ties, all paint a picture of extravagant spending virtually uncontrolled by elected coun-ciliors. In spite, it seems, of the

support grants.

by planning and investing in a courageous and imaginative way within the context of a national strategy. Japan does the same with most of its industries, and has now entered the aerospace

stake in an independent civil aerospace programme is worth keeping, it will have to do a lot more than it is now. It could start by responding to the criti-cisms of Jacques Mitterrand and pleas of British Aerospace Ken Gill

Onslow Hall, Little Green, Richmond, Surrey.

vital and expensive areas and their ideas of what constitutes economic planning appear to stem from the pre-off-rise days of 1974 when the two-tier

I have obtained details of staffing and salary structure in

both the private sector and in the two main state revenue departments. Customs and Excise and the Inland Revenue.

The picture emerging shows

that local authority executives

system was set up.

Sir,—In your report (January 24) on the Sizewell B inquiry.

tion is only partly true. It fails to recognise the very real diffi-

have more generous salary, perquisite scales, coupled with security of tenure and pension (index-linked), than is the norm either in private or in central government employ-I suggest that demands for the complete removal of central controls are really prompted by fears that the "gravy train" may be slowed down permanently if the very cogent pro-posals for continued and extended controls are imposed.

It goes without saying that no reasonable ratepayer cavils at due provision for the aged, the deprived young, the handi-capped, the sick, the poverty-stricken. Nor does he/she cavil at proper provision of police and fire services, or of suitable education services. What does upset ratepayers is the obvious heavy spending on excessive numbers of local authority staff, of unduly generous salary etc scales, on excessive numbers of transport are obviously arguments both ways), but it cannot properly be described as a condition to which the offer is subject. If it is a condition at all, it is one to which an acceptance is subject. Since self-regulation appears to mean the use of the rule in Humpty-Dumpty's case ("When I use a word is means just what I choose it to mean petther the rates burden increases we which the rates burden increases which is a condition to councillors and paid executives the rates burden increases which the offer is subject. Since self-regulation appears to mean the use of the rule in almost all departments Sea When I use a word is means just what I choose it to mean petther the very sensible guidelines set the rates burden increases which the offer is subject. When the rates burden increases we which the rates burden increases which the offer is subject. When the rates burden increases we which the rates burden in the visible spending rate of inflation. Personance in expending the rates burden in the rates burden in the rates burden in a councillors and paid executives the rates burden in the rat vehicles of all types—the visible evidence of the overspending is all around us.

Fort Argyll Road,

#### The costs of going to an inquiry

your correspondent noted that the Town and Country Planning Association (TCPA) and other main objectors such as the Council for the Preservation of Rural England and Friends of the Earth have made only brief appearances at the inquiry since it opened. It was suggested that this was because most objectors have decided not to spend the first two months of the inquiry listening to the witnesses of the Central Elecwitnesses of the Central Elec-tricity Generating Board and other supporting bodies read-ing out their proofs of evidence. Unfortunately, this explana-

culties facing a charitable body such as the TCPA in taking part in an inquiry likely to run for 6 to 9 months, or possibly longer. The Secretary of State for Energy has refused to pro-vide any financial assistance to objectors, although it is understood that the CEGB was willing to make funds available for this purpose. As a result the TCPA, which has only £3,500 to cover all its inquiry costs, is unable to employ counsel for even a limited period of time. Its case is being presented by its vice-chairman, who is a fulltime local government officer, and can therefore only attend on an occasional basis. Indeed, as things stand the

TCPA will be unable to meet the travelling, accommodation and other expenses of its tech-nical witnesses, several of whom live and work in the U.S. or in other European countries. It is difficult to see how, in these circumstances, the these circumstances, the inquiry can be full fair and thorough.

The situation has recently become still more difficult because, as you reported on January 20, the Secretary of State for Energy has declared that there is an overwhelming case for Britain to go ahead with a nuclear power station programme irrespective of the outcome of the Sizewell

Government has already made up its mind, many people are understandably coming to the conclusion that there is little point in providing technical or financial assistance to objectors. Surely there must be a better way than this of determining a major issue with such farreaching economic and safety implications!

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Richard Lambert explains why the smart money on Wall Street is betting on Pan Am's recovery

## Pan Am defies financial gravity

PAN AMERICAN World Airways

At the end of the third quarter equal to a pre-tax loss of more than fer about \$75m in pension plan contributions which are due in 1983.

\$300m - and still be in a position to tributions which are due in 1983. scraped together enough cash to en-able it to fly through the recession. crued pension expenses. That, at least, is the picture given

in a recently published preliminary prospectus relating to an offering by Pan Am of convertible secured

The numbers look terrible. After taking into account final-quarter been significantly eased by two re-provisions of \$43m against sever-cent events. First was the deferral ance costs and \$35m against aircraft sales, the company yesterday reported a net loss for the year of \$485m, following a fourth-quarter loss of \$272.9m

Last November, Pan Am's total

The airline has had no bank credit facilities for more than a year, and meets its cash needs by managing its working capital accounts.

rel in financial terms, but has \$138m. The figure would have been

its cash problems, however, have

Pan Am believes this would give it enough leeway to incur an operat-ing loss in 1983 of at least \$175m -

jumped sharply in January to 3.225m, including school leavers,

and the underlying rate of increase showed no sign of moderating. The latest figures issued by the

Department of Employment yester-

day, showing an overall increase of 128,000, were described as "a great disappointment" by the Prime Minister in the Commons, and Mr Michael Foot, the Labour leader, said they ware "hideaus and terrible."

they were "hideous and terrible."

After adjusting for the usual sea-

sonal increase in January and ex-

cluding school leavers, the total out

of work went up by 35,000 to 2.98m representing 12.3 per cent of the

vorkforce, a new post-war record.

This was the thirty-seventh suc-

essive month in which the under-

lying level of unemployment has in-

reased. The last fall was in Octo-

Yesterday's figures were matched

by equally grim statistics from West

Germany, Norway and Belgium. In

Germany, the January unemploy-ment total rose more sharply than

expected to 2.5m or 10.2 per cent of

the workforce, compared with 9.1

The underlying figure for UK un-

er cent in December

ber 1979.

As a result Pan Am is scrambling to sell some assets - aircraft, spare engines, real estate, excess gates at Houston Airport, and anything else it can lay its hands on.

over eight years of about \$120m of lease and debt service obligations. Then came a plan, which is still being negotiated, to sell the airline's leasehold interest in its passenger terminal facility at New York's Kenlong-term liabilities stood at nearly \$1.3bn, compared with shareholders' funds of \$432m. \$265m of additional working capi-

meet its minimum cash needs.

The airline "does not now anticipate an operating loss in 1983 approaching \$175m," according to the prospectus. "But it admits that its business is volatile. A change of one percentage point in its scheduled passenger seat factor would make a difference of \$43m to its operating results. A shift of just one tenth of a percentage point in the yield per revenue passenger mile translates into around \$25m on - or off - the operating results. And a 10 per cent change in the dollar - yen exchange rate adds up to about \$14m in the

same terms. nancial room in which to manoeu-vre. As a result of workforce cuts and improvements in work rules which were negotiated at the end of last year, it hopes to reduce its scribes as "a perceived lack of confispending this year by about \$110m.

**UK** unemployment increases

by 128,000 during January

BY MAX WILKINSON AND JEREMY STONE IN LONDON

Pan Am's management was planning a very different future a year ago. Helped by concessions from its workforce, it planned to expand its way out of trouble by increasing the number of its flights without adding much to its labour costs. But the extra traffic failed to materialise, and Pan Am has been contracting its

flight schedules since the autumn. Part of the trouble was the recession, which was much deeper than almost anyone had feared. But Pan Am had problems of its own. It made the mistake of annoying the travel agents - who are the key to ame terms.

an airline's prosperity - by cutting
So Pan Am is looking for more fitheir traditional bonus arrange-

This move has recently been reversed, but there has also been what the prospectus politely dedence on the part of certain travel It is also seeking approval to deagents in Pan Am's financial viabili-

the Treasury has tacitly accepted

this with its "conventional assump-

tion" in the recent spending White

Paper that unemployment will rise by 280,000 in the next financial

The Confederation of Business

Institute's most recent Industrial

Trends Survey suggested that an-

other 90.000 jobs could be lost from

manufacturing in the next three or

Prime Minister Mrs Thatcher re-

peated her view in the Commons

that the only way to boost jobs was to pursue sound financial policies,

to keep interest rates down, and to

provide incentives for industry. She

said "rhetoric, rows or strikes"

Mr Eric Varley, Labour's employ

ment spokesman, attacked the Gov-

ernment for planning further rises in unemployment, a claim that was later described by Mr Norman Teb-

The only glimmer of hope gained

the trend of vacancies reported to

four months.

would be no help.

bit as "quite ridiculous."

ty, particularly in the light of the collapse in 1982 of Braniff and Lak-

As a result of recent cuts the airline is planning to offer about 3 per cent fewer passenger seat miles this year than in 1982. It is also planning big cuts on its cargo side, which it says could reduce freight revenues by 35 per cent in 1980.

The hope is that in its slimmed down form Pan Am will be carried up and away by the economic recovery which at last seems to be ap-

pearing over the borizon. A great deal depends on the con-fidence of the public in the airline's financial mability. Perhaps the most encouraging recent develop-ment is the way that Wall Street is reacting to this prospectus. Since Monday night, the hadly hattered share price has jumped nearly 50 per cent in very heavy trading. which suggests the smart money is betting that Pan Am is going to pull

## **Barclays** sees \$36m first-half U.S. loss

By Alan Friedman in London

est in terms of assets, is expected to see its U.S. operations register a continuing loss for the second haif of 1982 after a C23.5m (506m) pre-in-terest trading loss in the U.S. for

the six months to June 30. The losses in the first half of last year, which represented C48m downturn into the red from the pre-vious six months, were related to provisions for three large U.S. clients, understood to have been in

the energy sector. Barclays' U.S. bank operation is understood to have suffered continuing energy loan problems dur-ing the secound half of 1982, although it is unlikely that the second-half loss will be as high as

The problems of the bank in the U.S., where it has assets of more than \$10bn and operations in 35 states, are expected to show up in r Barclays Ba ternational (BBI), the group's over

Although the U.S. losses will not be revealed until next month, when the group publishes its results, it is understood that senior Barclays executives in the U.S. are reviewing the bank's operations there in an effort to reduce staff costs. They are considering putting brakes on the

bank's growth there. Mr Brian Pearse, the senior Barclays executive in the U.S., spoke yesterday of "looking much more clinically at the whole profitability of our operation." He also raised the possibility of "amalgamating" some of Barclays' U.S. Operations, such as securities trading and foreign ex-

change.

Mr Pearse maintained, however, that Barclays' losses in North America had "bottomed out" and said the U.S. business could be returned

to the black. Barclays Bank as a whole showed a pre-tax profit of \$236.5m for the first half of last year, down 16 per cent against the same period a year before. The group's last full year pre-tax profit (for 1981) was £567m (against £524m a year before).

#### Fraser calls snap election in Australia

difficulties," said Mr Fraser, adding that he wanted the pause extended

could have run until the end of the year, but Mr Fraser moved swiftly to capitalise on renewed arguing over the ALP leadership. Mr Hayden has been eclipsed by Mr Fraser in recent skirmishing.

seize power. He said it was "not a Mr Hawke said voters would be facing an election which had been

loisted on them by the most divisive Prime Minister in the history of this country." Union opposition to the wages pause was spearheaded by the oil unions, though the ACTU claimed

the Government had pressed companies into inflating the dispute insecond longest serving Prime Min-ister after Sir Robert Menzies, Mr Fraser will stand on his record.

ment with the ACTU is not due to be finalised for about two weeks, it recently revamped its front bench and it is bound to suffer a backlash from the anti-wage pause camTHE LEX COLUMN

## Thyssen forges U.S. losses

A string of West German compa-nies has come to grief in the U.S. but few with such spectacular effect as Thyssen. Budd, the steel and plastic products group, has been a consistent drain on Thyssen's resources since it was bought in 1978. In the year to September, Budd contributed a loss of about DM 350m, countering the recovery of Thyssen's steel and capital goods divisions and leaving the group as a whole with a roughly maintained net loss of DM 66m.

By the international standards of the steel industry, that may look like a drop in the ocean. Thyssen. after all, was sporting total capital employed of some DM 18bn in its last balance sheet. But the noises emanating from the Ruhr this week were distinctly gloomy and even a partial recovery at Budd, resulting from management changes, rationalisation and a more favourable currency parity, may not prevent group losses from slipping into three figures in the current year.

The surgery at Budd could prove costly in cash terms and Thyssen is unlikely to escape financially unscathed from the proposed merger of its basic steel interests with those of Krupp, even allowing for a large measure of help from the Federal Government. Capital spending, meanwhile, is still running at about DM 1bn per year.

Despite the gloomy cash flow po-sition and an already stretched balance sheet. Thyssen is paying a maintained dividend of DM 2 per share. It may be trying to keep alive the prospect of a rights issue, although last night's price of DM

Institutional dissatisfaction has Anderson Strathclyde been reflected in what amounts to a partial takeover of the CSI by its

nisations. merger looks the most sensible out- gloves coming off again.

Markets London equities were breaking that time, the group would be com-records in all directions yesterday, as the FT All-share Index rose undication of producing record rethrough 400 for the first time, and the Industrial Ordinary Index romped away from its previous high of 637.4 to reach 646.8. The market has been running since the beginning of the year on heavy turnover averaging more than £200m a day, but this week it has

been running at closer to £300m. Equities have presumably been

90 level at which the group is under-stood to be aiming come generated by the gilt-edged market at this time of year. The Government Broker has been sitting on the sidelines and institu The Council for the Securities In- tions have been reluctant to commit dustry is by no means the best- new funds to fixed-interest at a level body in the City, and its untime when confusion seems to reign distinguished handling of several in the U.S. debt markets. And the issues, ranging from dawn raids to flight into overseas securities. Professor Jim Gower's interim re-port, has left several City interest groups, led by the issuing houses, slowed.

Chem

No.

Anderson Strathelyde seems almore market-sensitive brother, the most certain to have 51 per cent of Takeover Panel. Mr John Hignett. National Mining Supplies of the the present director general of the U.S. in its hands by this morning. panel, is to take over a newly-creat- But this spoiling move in its deed position at the CSI, putting him fence against the Charter Consoli-in executive command of both orga-dated bid lost most of its impact against the body blow delivered by The appointment of a chief executive to the CSI, a long-standing recommendation of the Wilson Committee, is likely to presage more sweeping changes in the relationship hetween the bus hedies. A feel the smallest rout the market rout the market rout the standard rout the smallest rout the standard rout the smallest ro ship between the two bodies. A full the market saw the prospect of the

come although it will undoubtedly take a while to work out satisfactory terms.

Even so, Anderson shows no sign of throwing in the towel. There is a strong possibility that it will now appeal, a move that could well drag proceedings into next month. By sults. The City is expecting pre-tax profits in the region of £13m, which would imply a significant increase over Charter's sighting shot of 135p. Even at an offer price of 200p. Anderson would be on an exit multiple of only a little more than 15 - not produced steadily rising profits for the last five years, while moving to 68.60 is a long way adrift of the DM soaking up much of the dividend in- a net cash position.

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## Thorn may make TVs in Britain for JVC

By Guy de Jonquieres in London

THORN EMI, the UK electrical group, is close to an agreement to make colour televisions to be distributed in Britain by Victor Company of Japan (JVC), one of the leading Japanese consumer elec-

tronics manufacturers. JVC is the only large Japanese consumer electronics company not to have a UK production facility. Other Japanese companies with plants in Britain are Sony, Matsushita, Mitsubishi, Sanyo, Toshiba and Hitachi, which has a joint venture with the General Electric Com-

pany (GEC).

Thorn EMI is due to start supplying JVC this summer with five models, with screen sizes ranging from 20in to 26in. The sets will be based

on the TX chassis developed by Thorn EMI. The size of initial deliveries has not been disclosed but is expected to amount to about 45,000 sets anthrough its distribution channels, said that it hoped to gain 6 to 11 per cent of Britain's colour television market, which totalled 2.8m sets

JVC plans to continue importing from Japan colour televisions and monitors with screen sizes up to 20in. Its annual imports total about 10,000 sets, the maximum allowed by the voluntary restraint agree-ment between the British and Japa-

nese industries. Thorn EMI imports video tape recorders (VTRs) made by JVC and last autumn began assembling the

machines in Britain from kits.

#### German-U.S. joint venture in electronics

By Paul Betts in New York

U.S. conglomerate. AEG-Telefunken, the West German electrical company, and the Diehl group, the German industrial and commerical products maker, agreed vesterday to concentrate their activities in the development, production and mar-keting of custom MOS circuits in a newly-formed joint venture company called Eurosil Electronic GmbH.

UNITED Technologies, the large

joint venture between AEG and United Technologies - United Technologies and Diehl. Under the agreement in principle Eurosil Electronic is to take over the present activities and assets of Diehl's Eurosil GmbH. Diehl's Eurosil, which was estab-

Diehl will acquire a minority interest in Eurosil Electronic. lished in 1972, supplies integrated circuits for the watch, clock, instrument and telecommunications in-

## Vogel call for EEC

reforms By Giles Merritt in Brussels

IN HIS FIRST major statement on EEC policy issues, Dr Hans-Jochen Vogel, the West German SPD lead-er, who is contesting the Federal Chancellorship in the country's March 6 elections, yesterday called for major reforms to the Common Agricultural Policy and for a fresh

of Germany's electoral battle to Brussels when he used the hustings of the European Parliament offices to launch a demand that, whatever the cutbacks in EEC steelmaking prove to be, the West German steel

ers should be introduced. that EEC action to combat rising unemployment should provide the nucleus for an industrialised na-

## German unemployed

unemployment until the end of this from yesterday's figures was that

years. A rather weak recovery in Jobcentres continued to rise slight-

output, generally expected to rise ly, with an average monthly in-

by only 2 or 3 per cent a year, would crease for the last three months of

not be enough to compensate for 2,700 and an underlying level of

Continued from Page 1 force and 60 per cent higher than a year ago, writes Fay Gjester in Os-

working in export industries vulnerable to the world recession, such as metals and shipbuilding.

approach to unemployment mea-He also introduced a strong whiff willing to start new projects. Mr Arne Rettedal, Minister of La-

point plan to create 40,000 jobs,

erally nervous about the future, soared to 497,000 from 384,000. Comanxious to keep down costs and un- parable figures for January 1982

Meanwhile, labour exchanges in some of the worst-hit districts are having to close two days a week to

were 439,000 unemployed, or 10 per cent of the workforce.

monthly jobless record, and offimainly by giving local authorities cials said they feared the trend would continue for the rest of the year, and possible or several years.

# Continued from Page 1

from six to 12 months. The Government's term of office

and yesterday Mr Hawke moved to

to an election issue. As Australia's

In contrast, the ALP is in disar-ary. Its prices and incomes agree-

# CHICKENS...

So many claims about the ideal place to relocate or expand just don't stand up when you actually get there and start operating. But with Clwyd, new companies moving in are not disappointed. Clwyd

delivers. Take major poultry producer "Country Produce", who moved to Deeside three years ago.

Producing a range of fresh and frozen food products for nationwide distribution demanded a number of key factors.

Not the least was an efficient, fast

and modern communications network. And from Clwyd they found excellent dual carriageway links to the national motorway network. Another consideration was a co-operative. willing and enthusiastic workforce. Country Produce found that too in Clwyd, which got the venture off to a flying start.

Throughout the County. new and expanding ventures are finding that choosing Clwyd wasa

significant factor

in their success. With financial incentives equal to the best in mainland GB, can you afford not to look at Clwyd?

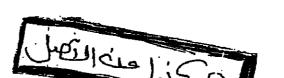
Find out what Clwyd can do for you by talking to Wayne Morgan. County Industrial Officer, Clwyd. County Council, Shire Hall, Mold, Clwyd. Telephone Mold (0352) 2121. Telex 61 154.

66 Country Produce is one of the largest poultry producers in the UK. We moved to Clwyd because it offered us the space to build a purpose designed plant, the workforce to run that plant and close proximity to a transport system that allowed us to move our products on a national basis-fast. Three years on we are still delighted with our choice??

M.J.C. Twecdie, Chief Executive, Country Produce.



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industry should be guaranteed a full one-third share of all EEC steel output. He warned that if his social democrat party comes to office. he would insist on that as a minimum.
On the future of the CAP, Dr Vog-The partners in Eurosil Electronic are Telefunken Electronic - a Continued from Page 1 urged that limits should be placed on the present price guarantee system, and that instead direct income support for EEC small farm-Dr Vogel's position on the employment crisis is that EEC member states should agree a concerted strategy of job creation and worksharing measures. He emphasised

## employment has been rising at an not be enough to compensate for 2,700 and an underlying level of average monthly rate of about the growing population and im30,000 a month for the past nine provements in productivity. Even TUC expansion package, Page 7 at post-war record

Mrs Thatcher: figures

'great disappointment'

months. However, in the last two

months there seems to have been a

marked increase, dispelling hopes

fostered at the end of 1982, that the

Most independent forecasters are

projecting continued rises in UK

year, and possibly for several more

trend might be flattening out.

Initially, the rise was mainly the result of lay-offs and short-time

The effect of the recession is now spreading to all sectors of the Norwegian economy. Business is gen-

bour, last week announced an eight-

give staff a chance to process the flood of claims for unemployment

• Belgian unemployment at the end of January reached a record 11.9 per cent, up from 11.6 per cent in December, AP-DJ reports from Brussels. The number of jobless

It was the sixth consecutive bi-

## Oil price cuts backdated

present crisis. He said Opec ministers would have to agree on a pack-age of measures, including prices, differentials and production quotas. Venezuela has invited Opec min-isters to Caracas next week for the assets in the Netherlands, Belgium inauguration of a refinery extension, and the secretary general said he would be pleased if this meeting was turned into an extraordinary conference. It remains doubtful that enough ministers will be in Caracas for such a meeting

Avoriaz (Fr)

Crans (Sw)

Ischg 7 (Aus)

Walter Ellis in Amsterdam adds: Concern is being expressed among traders on the Rotterdam oil spot market about the possible effects of and Luxembourg.

Some fear that Kuwait may be

followed on to the European scene by other Arab producer nations, thus creating the potential for a disruption of the existing market.

EUROPE Andermatt (Sw) .... 80-270 cm Snowing. New snow, hard base

THE U.S. Aspen (Col.) 17- 32 ins Now new snow. Powder. Hunter (N.Y.) 14- 64 ins Wet packed surface. Park City (Ut.) 6- 84 ins All lifts open. Sugarbush (Vt.) 8- 22 ins Wet granular.

Figures indicate depths at top and bottom stations.

90-200 cm

120-180 cm Good powder below treeline 95-210 cm Excellent skiing conditions. Upper good piste skiing. 50-100 cm New snow on good base. 120-200 cm Good skiing on upper pistes. New snow on good base. Seefeld (Aus) ....... 60- 80 cm New snow on good base.



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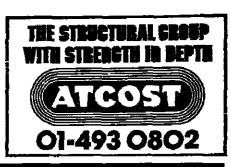
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## SECTION II - INTERNATIONAL COMPANIES **FINANCIAL TIMES**

Friday February 4 1983



## Dow Chemical profits slip 30% to \$399m for last year

BY PAUL BETTS IN NEW YORK

DOW CHEMICAL, the second larg-Du Pont, reported yesterday a \$33m operating loss in its latest quarter and a 30 per cent decline in net on sales of \$2,5bn, compared with

In the latest quarter, Dow made a \$102m provision against pre-tax earnings to cover the company's withdrawal from joint petrochemical ventures in Saudi Arabia and Yugoslavia, and other closures.

Mr. Paul Oreffice. Dow's president, said "considering the current oversupply of basic chemicals in the international market, additional ca-

pacity is unwarranted." He said that in the fourth quarter, weak consumer demand and tight inventory control restricted Dow's operating rate to 63 per cent

He reaffirmed Dow's current strategy, involving an increasing prises (\$44m) Dow's Korean propshift towards downstream speciality products and services from concompany depositary units (\$15m).

tinued expansion with major petro-

earnings last year to \$399m (\$2.07 a earnings of \$67m (\$5c) on sales of share) compared with a profit of \$35n in the final period of 1981.

Sales for 1982 as a whole declined to \$10.6bn, against \$11.9bn in 1981.

The operating loss of \$33m in the final quarter compared with operat-ing earnings of \$79m in the last pe-riod of 1981. Dow's operating in-come last year amounted to \$356m. against \$916m the year before.

In the final quarter, Dow had a pre-tax loss of \$56m, compared with pre-tax profits of \$67m in the fourth quarter of 1981. After favourable tax adjustments of \$69m, the company reported a modest \$13m net profit for the final quarter of 1982.

Dow also realised in the final quarter pre-tax gains totalling \$66m from the sale of Bio-Science Enterty products and services from con- Company depositary units (\$15m).

Dow said significant fourth-quarter contributions to operating earnings were realised from the company's Styrofoa brand foam insulation, despite the slump in housing construction, and from the Dowell-Schlumberger Petroleum Service partnership between the chemical company and the large oil service

Mr Oreffice said if the U.S. dol-lar's weakening trend does hold, this could help the chemical industry this year. Texas Air Corporation, the airline

holding company, incurred a margi-nally higher loss for 1982. The group said its 1982 net loss of \$49m, or \$7.27 a share, on revenues of \$1.51bn, largely reflected restruc-turing at its airline subsidiaries. In 1981, it lost \$47.2m, or \$8.11 a share,

Air Lines results on revenues of \$719.4m. The fourth quarter loss was

## Spain to waive deposit rules to facilitate rescue of Banco Urquijo

BY DAVID WHITE IN MADRID

THE SPANISH Government has agreed to waive compulsory deposits rules to facilitate the rescue of Banco Urquije, the latest and big-gest victim of the country's fiveyear-old banking crisis.

In a move described as "preven-tive medicine" for the industrial and merchant banking group - in-ternationally one of the most respected names in Spanish finance --Banco Hispano-Americano is to put amounting to some Pta 16.7bm, are Pta 22.5bm (\$172m) into Banco Ur to be used to wipe out losses, and quijo, after taking a majority share-

Of this, Pta 10th will come in the form of subscription to a capital increase, more than doubling Urquijo's present Pta 9.74bn equity.

Budd, which reported losses of DM 9m in 1980-81, suffered be-cause of the serious weakness of

the U.S. car and truck market

In its second major area of op-erations, railroad rolling-stock, low demand and a seven-month

strike at a supplier company also led to serious problems.

Dr Spethmann said mistakes had been made in this division

and the management was

a further loss of 430 jobs.

Dr Spethmann said there were signs of renewed demand for

passenger cars in the U.S. but it

was too early to say if the recovery would continue and rationalisation would go ahead at Budd. "We have no intention of operating against the general tendency of the U.S. economy," he said.

ision

hit parent

results

-and which has long-standing ties cent in low-income public sector inwith Urquijo, is also to buy fixed assets for Pta 12.5bn.

The takeover plan, involving an exchange of two Hispano shares for three Urquijo shares, valued at 75 lic sector bonds.

Banco Hispano-Americano holds Miguel Boyer, the Economy and Fi-nance minister.

Banco Urquijo's the bank is to suspend dividends for the next five years.

During this period, under the pact reached between Banco Hispawill be liberated from rules which Banco Hispano-Americano which oblige it to place 6.75 per cent of de-

vestment instruments. Banco Hispano-Americano will be granted exemption from part of

has received the go-ahead from Sr more than 12 per cent of Banco Urquijo's shares and the two institutions share 10 board members, including Urquijo's current chairman, Sr Jaime Carvajal.

The share exchange offer is ex-pected to be opened on Monday. Trading in Banco Urquijo's shares has been suspended since Tuesday.

Under the takeover plan, Banco no-Americano and Bank of Spain, it Urquijo will be merged later this year with Bankunion, another industrial bank which Banco Hisparanks number three among the posits in a non-interest bearing ac no-Americano took over 10 months country's private commercial banks count at the central bank and 18 per ago.

## Budd's losses | Thyssen to decide on fate of new offshoot

BY OUR BONN STAFF

By James Buchan in Bonn THYSSEN enjoyed a significantly better year in the 12 months to ny, provisionally known as Thyssen Stahl, comprising the group's basic

ly better year in the 12 months to last September, compared with 1980-81, but was seriously hampered by its chief U.S. subsidiary, the Budd Company automotive industry supplier, which it acquired in 1978.

Dr Dieter Spethmann, Thyssen chief executive, said that in addition to the DM 50m (25m) loss. ecutive, said the new, wholly-owned subsidiary would then be the subtion to the DM 63m (\$25m) less reported for Budd in 1981-82, the parent company had to provide inancial aid of about \$100m and pay interest charges of a further DM 50m through Thyssen Holding Corporation, in the U.S. The group offered \$244.8m for Budd in January, 1978.

mission of "moderators" last month.

losses from the Thyssen-Krupp ter an economic upswing.

A SHAREHOLDERS meeting of steel unit. In the new concern, Thyssen will decide in April on the creation of an independent compactor of an indep steel production and asset base. Talks between Krupp and Thyss

teel operations.

Or Dieter Spethmann, chief excreation of two new companies for special steels and open-die forged products. Both companies will be ject of merger talks with Krupp formed on the basis of parity and Stahl for the creation of a Rhine-based steel group, as envisaged in the raport of an independent com-

would work for agreement of these Significantly, Thyssen is not in-three mergers, as soon as possible tending to form a corporate ar-in the face of steel demand which rangement, whereby it takes over was likely to remain weak, even af-

## RSV to apply for debt repayment moratorium

ing group, is to apply for a moratorium on repayment of its debt - a procedure similar to Chapter 11 registration in the U.S. - following a resistration in the U.S. - followi fusal yesterday by the Government-to grant the holding company any further financial aid.

changed during the year.
Build, which reduced its workforce by about 2,000 to 14,000 in A government statement issued after several weeks of discussion, said that one month's credit would the year 1991-82, is to close its stamping plant at Gary, Indiana, with a loss of 800 jobs, and two wheel manufacturing plants with be made available against the se-curity to 14 RSV subsidiaries and that the position of the company's divisions engaged in defence contracts would be reviewed by the Cabinet today.

The Government's position is based on a study of RSV's performance by McKinsey and Company, the U.S. management consultants. McKinsey is understood to have said that only 15 per cent of RSV's half of last year - with massive help activities were profitable, and that

RSV, the troubled Dutch shipbuild- the cost of hiving off the profitable

Widespread redundancies among the 17,000 workforce could follow a break-up of the group, while a fail-ure by RSV to improve its position during the period of the expected moratorium could mean bankrupt-cy for the holding company. Much of the cost of a break-up would have to be borne by the Dutch state, which owns 46 per cent of the shares.

RSV has been in trouble for several years ever since the failure of a series of offshore ventures in Algeria and, more recently, the de-bacle of its mining operations in the U.S. It returned to profit in the first

## Profit setback

large New Orleans-based energy services company, yesterday re-ported a small loss of \$239,000 in its latest three-month period, compared with earnings of \$48.5m in the same quarter last

cember 31, net income declined to \$60.7m on sales of \$2.9bn, from earnings of \$138.5m on sales of \$3.5bn for the same nine-month

BONN MAINTAINS WATCH ON THOMSON-BRANDT MOTIVES

## Grundig bid exposes labyrinth of interests

TOP EXECUTIVES of four of west- its partner in the fast-growing conern Europe's largest electrical con-sumer electronics market, the video

cerns met earlier this week to discuss the future of the family-owned Grundig company. They met at the invitation of Dr Anton Jaumann, Economics Minister of the West

Europe's consumer electronics industry has been in turmoil after the November 19 announcement that Thomson-Brandt, one of the participants at this week's meeting, had reached agreement with Dr Max Grundig, 74, Grundig's owner and founder, to buy 75.5 per cent of the West German company's shares.

Dr Jaumann's initiative shows that the politicians are also worried over whether the nationalised French concern should be permitted to reshape the structure of the after a consolidation of Continental consumer electronics market through such a coup.

West Germany's two largest elecronics companies, Siemens and Robert Bosch, along with Philips, the Dutch electrical giant, are anxious to join the talks about Grundig. This indicates how closely Thom-son's plans touch their vital inter-

These interests are highly com-plex. Siemens and Philips are both competitors (directly or indirectly) of Grundig and also major suppliers of vital components such as integrated circuits and television tubes. Philips occupies an even more sensitive position, since Grundig is

2bn of loan losses as a result of its gy, and that has been good for us." tape recorder sector.

The two companies jointly developed the only non-Japanese video recorder system, the Video 2000.

through a new 8mm world standard for video recorders, to replace the three current standards - a move which would give it a fresh start in competition with the dominant Japanese manufacturers - are likely to be heavily influenced by who ends up as Grundig's owner. Philips secured its relationship with Grundig by buying 24.5 per cent of its shares. It therefore has a shareholder's voice in determining the company's future.

Bosch, which is thought to command some 10 per cent of the West German colour television market through its Blaupunkt subsidiary (in which Siemens has a blocking minority stake of 25 per cent) is no less concerned at the prospect that Thomson-Brandt could end up with close to 40 per cent of West Germany's colour television market if it takes control of Grundie.

The labyrinth of corporate interests bound up in Grundig's future does not end here. West Germany's powerful banks are also deeply involved, not just as lenders to Grun-

financial collapse last year and its need to seek protection from credi-

BY STEWART FLEMING IN FRANKFURT

Grundig was to have rescued, in pertnership with the banks, AEG's Telefunken consumer electronics Philip's chances of pushing division, which also has 10 per cent of the West German colour TV market. But recently Grundig has been playing for more time to think about the Telefunken acquisitions a pose which some in the industry

> German Government and the Federal Cartel Office, not to block the Thomson-Brandt bid. For the corporate vultures circling around Grundig, there is more

at stake than just the company's juicy 25 per cent stake of the West German colour television market and its strong position in video recorders. "It is not just the fact that we are a supplier of more than DM 100m of electronic components to Grundig which explains our interest in the company's future," said a senior executive of Siemens, Grundig's powerful Bavarian neighbour.

"The consumer electronics sector has been one of the driving forces in the rapid evolution of microelectronics technology. Companies such as Grundig have put pressure

Siemens would have more at stake than its present electronic components business if a French takeover were to lead Grundig slowly to switch its source of sophisticated hardware. The fact that products developed in the consumer

products is a vital consideration, not only for Siemens and Philips but also for the West German Govsee as being designed to put the ernment maximum pressure on the West Officials in Bonn are vitally interested in the outcome of Dr Grun-dig's decision to sell his company. In part, this interest reflects suspi cion on some quarters of French motives and the gull between France's socialist industrial policy

sector may later also become key

elements in Siemens' industrial

ment to free market economics. It is hard for the Germans to accept that a French Government which has the avowed intention of bringing the economy under the control of a handful of nationalised French companies, including Thomson-Brandt, can at the same time adopt a benign pan-European pos-

and West Germany's broad commit

ture outside its borders. West German trade unions fear that when it came to "rationalising" the merged companies' consumer businesses. German workers would dig, but also as lenders to AEG- on us as components suppliers to feel the pinch first. There are fears man" solution now under discussion Telefunken, a company which has keep abreast of the latest develop- in Government circles that West – any more attractive on competialready cost them more than DM ments in semi-conductor technological interests tion policy grounds?

may play a subordinate role to those of France if Grundig comes

into the question of the correct response, in trade policy terms, to the Japanese threat in European markets. Here, too, the French position on protectionism conflicts with the West German position, One official in Bonn argues that the moment a nation selects one company as its banner carrier, as France has done in several industries, it is drifting into a protectionist frame of mind.

Dr Karlheinz Kaske, Siemen's chief executive argued earlier this week that European co-operation in consumer electronics to meet the Japanese challenge might avoid a further slide into protectionism.

A meeting of the sort which took place earlier this week between the cream of Europe's electronics in-dustry would have sent U.S. antitrust lawyers scurrying to the court's alleging conspiracy. The West German Cartel Office is known to be uneasy about the prospects of Thomson-Brandt ending up with a dominant share of the Federal Republic's colour television market. But is an ownership structure for Grundig bringing together Philips, Bosch, Siemens and Thomson-Brandt - the "European" or "Ger-

#### **Prudential** to invest uses profits for improvement \$45m in trade union-owned institution

satellites which is West Germany's ninth largest commercial bank, has re-ported a dramatic improvement in

By Paul Taylor in New York PRUDENTIAL Insurance Company of America has agreed to invest up to \$45m in a satellite unications company which plans to knunch the world's first direct satellite-to-home pay television service later this year.

The equity investment will make the insurance group the largest shareholder in United Satellite Comunications Inc (US-CI), which has formally called United Satellite Television, and whose other major investors in-clude General Instrument and Francesco Galesi, Chairman of the privately-held Galesi proper-

ty group.
Seperately, USCI ordered \$600m of equipment from Gen-eral Isntrument, the electronics group. The order covers homedish antennas, amplifiers and other electronic parts manufac-tured in the U.S., Canada and the

USCI, which will have a board representing shareholder groups and capital of \$54m, plans to broadcast up to five channels of films, sports, news and pay-per-view programming via satellites to roof-top antennas.

Dome to sell

part of stake

By Robert Gibbens in Montreal

DOME PETROLEUM and its exploration subsidiary, Dome Can-ada, plan to sell 10.3m shares of

TransCanada Pipeline Limited (TCP), through a secondary of-

fering in Canada.

The total proceeds will be just over C\$250m (\$203m), besed on

Dome Petroleum bought 48 per cent of TCP, which operates

the cross-country gas trans-mission system, about three

years ago when it was rapidly ex-

panding. Then last year, when Dome debts had soared to nearly

S7bn it sold half its interest to

Dome Canada, a new subsidiary

set up with 50 per cent Canadian

ownership to take over the

group's artic exploration activi-

the current price of TCP.

in pipeline

#### ahead on year By Our Montreal Corresp

**GREAT LAKES Forest Products** the principle pulp and paper arm of Canadian Pacifics, posted a fourth quarter loss, but came out with a

small profit for the 1982 year.

**Great Lakes** 

its operating earnings in 1982.

ear earlier, on revenues of CS438m, against CS568m. About CS15m of the 1982 earnings were the result of an accounting change.

Crown Zellerbach Canada reports C\$23.3m loss for 1982, against a net income of C\$17.1m or C\$2.04 a share in 1981 on revenues of C\$654m against C\$653m.

#### BANK für Gemeinwirtschaft, the the West German parent bank more reserves to avoid having to discloss than doubled to DM 850m. Operating earnings, including bank is not having to mobilise hidsecurities and loreign excannge

profits and after deducting the costs of running the bank, were DM

But it will not be paying its trade union owners a dividend. Instead, it In 1981, according to Herr Thowill put some DM 600m (\$240m) inmas Wegscheider, the chief executo loan loss reserves and write downs, and into strengthening its loss of DM 130m.

In a preliminary announcement, had misjudged interest rate trends but allowing it to re-invest its funds

an operating loss. This year the den reserves. Herr Wegscheide

In common with other West Ger man banks, BfG has profited in both its lending and its securities business from falling interest rates. tive, the bank suffered an operating It also quickly disposed of its mismatched lending portfolio last year, In that year BfG admitted that it taking a loss on sale of the loans,

## Nabisco reports 20% increase in earnings

BY PAUL TAYLOR IN NEW YORK

based food group which last year acquired Huntley and Palmer foods of the UK, yesterday reported higher fourth quarter and full year net Earnings for the full year were income bolstered by divestitures. CS18.5m (\$14.9m), or C\$3.80 a share against C\$81m or C\$18.59 a share a income bolstered by divestitures. The group was formed in July, 1981, dard Brands.

The company, whose products in-clude Shredded Wheat, Planters Peanuts and Walkers crisps, reported a 20.1 per cent increase in fourth-quarter net income to \$103.4m or \$1.54 a share, including a \$27.4m after-tax gain from the sale of Julius Wile Sons, the drinks

company, J. B. Williams, Everlon

NABISCO BRANDS, the New York- Fabrics and Hygiene Industries. In the same quarter in 1981, the company reported net income of \$86.1m or \$1.36 a share. Sales fell by 5.2 per cent to \$1.5bn reflecting the divesti-tures and the effect of the strong

> Operating income for the fourth quarter declined by 10.4 per cent, mainly due to the loss of earnings from businesses which were sold. but operating income from continupenses, increased by 0.9 per cent. Sales from continuing businesses increased by 6.7 per cent. or \$4.83m a share.

## West German trade union bank | Continental Illinois trebles earnings

CONTINENTAL ILLINOIS Limited, the London merchant banking arm of the Continental group, yes-terday reported more than trebled after-fax profits for 1982, up from £1.3m in 1981 to £4.1m (\$6.2m).

Mr Al Page, chief executive of the tors in the higher earnings were a healthy 1982 Eurobond trading business (which accounted for more than Elm of profits) and earnings from private interest rate swap

transactions (totalling £650,000). The latter are transactions in which the bank acted as an internediary between two parties who swapped fixed-rate debt for floating rate liabilities.

The London bank subsidiary's balance sheet has gone from C232.9m in 1981 to £186.8m as at December 31. Mr Page said this was because the bank had reduced its loan book sharply, passing a signifi-cant part of its loan assets on to its parent Loans and advances fell

from £135.2m to £51.4m. in another development, Mr Page said the London bank had reorga nised its staff to form a new Capital Markets Group which will perform merchant banking, corporate finance, mergers and acquisition, and project finance business.

This advertisement complies with the requirements of the Council of The Stock Exchange.

U.S. \$450,000,000

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The Notes have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue

Full particulars of the Notes, Chemical New York N.V. and Chemical New York Corporation are available in the

Extel Statistical Service and may be obtained during usual business hours up to and including 18th February, 1983

Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN

4th February, 1983

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Banco de Bogotá In accordance with the provisions of the Notes, notice is hereby given that for the six months period 4th February 1983, to 4th August 1983, the Notes will carry a Rate of Interest of 10 1/2% per annum with a coupon amount of U.S. 550.91.

Agent Bank CHEMICAL BANK INTERNATIONAL LIMITED

#### KLM reports \$19.5m loss

By Our Financial Staff

KLM, the Dutch national airline, suffered a loss of FI 53.4m (\$19.5m) for the third quarter of 1982, ended December 31, compared with a loss of F1 7.7m for the same period a year earlier. Sales, at Fl 1.15bn.

were almost unchanged. The sharp downturn, the airline said, was caused by currency losses on assets and debts, and lower than anticipated traffic growth. This resulted in a drop in profit for the first nine months to Fl 84.2m from Fl 108m last year.

## for McDermott

By Our New York Staff

MCDERMOTT International, the

For the nine months to De-

## Equity trade at record £4.6bn

Souza Cruz

ahead but

disappoint

SOUZA CRUZ, the Brazilian

private enterprise in Brazil and recorded a spectacular

leap of 338 per cent in its registered profits in 1981.

Gross earnings rose 129 per

Gross earnings rose 129 per cent in 1932 to Cr 635.3hn. Government tax took 78 per cent of receipts and in his annual report to shareholders. Mr A. C. "Tom." Long, the president of Souza Cruz, stressed the deteriorating margins of the tobacco glant.

Profits before tax were

down to 2 per cent of gross

factory earnings, compared with 7 per cent 10 years earlier. Increased taxes introduced by the Brazilian

authorities during 1982 were held responsible for the fall.

Sales continued their slight

downward drift of the past few years, declining by 1.6 per cent in response to retail

price rises, authorised by the Government, of 102 per cent.

creasing slightly its market share in 1982 to 80.4 per cent.

Its rivals, Reynolds and Philip

Morris, continue to lose

Dividends for the full year

were 136 per cent up on those distributed at the end of 1981.

money.

Souza Cruz still maintains a stranglehold on the large Brazilian cigarette market, in-

By Andrew Whitley in

results

LIVING UP to its reputation of being a busy month for turnover, January saw business in all sec-tors of the London Stock Exchange increase sharply. The recovery was led by a pro-nounced expansion of business in ordinary shares which, in money terms, spurted to an all-time peak of £4.60bn.

Turnover in the equity sec-tors jumped by £1.33bn, or 40.6 per cent, from December's £3.27bn. Consequently, the Financial Times Turnover index cigarette manufacturer 75 per cent owned by BAT of the UK. more than held its own last year, raising net profits by 139 per cent to Cr 33.9bn (\$179m). financial Times Turnover index for ordinary shares rose to an all-time high of 820.7 compared with December's 583.8. The 1982 monthly average was 556.3 The number of equity bar-gains increased by 88,663 to 422,787 and the average value Although profits compared favourably with inflation is 1982 of 99.7 per cent the results were, nevertheless, a disappointment for the company. It is the third largest

per bargain rose to £10,900 against December's £9,800 The gilt-edged sector recorded a less substantial rise

in turnover, but was still up by £2.61bn, or 16.9 per cent. to £18.02bn. The number of £18.02bn. bargains transacted was 9.662 higher at 84,226. Trade in long-dated stocks increased by £1.43bn, or 17.3 per cent, to £9.71bn and that in the

shorts by £1.17bn or 16.9 per shorts by £1.17bn or 16.9 per cent. to £8.31bn.

The Financial Times Turnover index for Government Securities was 762.6 in January compared with December's 652.3 recovery was then the financial times for the financial Times of the Countries of the

by £3bn, or 14.2 per cent, to £24.10bn, against December's oil shares.
£21.11bn and the Financial The Financial Times Industrial Ordinary share index The Financial Times Indus-trial Ordinary share index rallied from a low point of 598.4

HOW STOCK EXCHANGE TURNOVER IS MOVING

Times Turnover index for All Times Turnover i

pared with December's 652.3 recovery was then thwarted by dipped to a low point of 77.00 on and the 1982 monthly average of 717.3 Turnover in all securities rose prices but equities again rallied coveriment Securities index dipped to a low point of 77.00 on month 4.17 points down on prices but equities again rallied balance at 77.02.

	Value £m	% of total	No of bargains	% of total	daily value £m	kooo, parkaju trouske	- Average dally bargains
BRITISH FUNDS			-				-
Short Dated (5 years or less to run) Others (over 5 years) TOTAL	8,306.8 9,712.4 18,019.2	34.5 40,3 74,8	25,570 58,656 84,226	4.7 10.8 15.5	395.6 467.5 858.1	324.9 165.6 213.9	1,218 2,793 4,011
IRISH FUNDS							
Short Dated							
(5 years or less to run)	614.0	2.5	2,073	0.4	29.2	294.2	99
Others (over 5 years)	247.8	1.6	2,460	0.5	11.8	700.7	117
UK LOCAL AUTHORITY	347.6	1.4	4,534	8.0	76.6	76.7	<b>*</b> 216
OVERSEAS GOVT	62.1	0.3	1,398	0.3	29	44.4	46
OTHER FIXED INTEREST	214.0	0.9	23,877	4.4	10.2	9.0	1,137
ORDINARY SHARES	4,599.5	19.1	422,787	78.1	219.0	70.9	20,133
TOTAL	24,104.2	100.0	541,349	100.0	*1,747.8	*44.5	*25,779
A 5							

#### Dunlop does well on Malaysian deal ANNOUNCEMENT that tracked, and has landed up in threat and moved fast. In a offered, reportedly 3.8 to

Holdines of the UK are to share point control in Dunlop Malaysian Industries (DMI) rather than Pegi buying the stake outright, adds yet another twist to what has become a long and the registration of the Malaysian economy was still cruising comfortably, and the stock market was booming.

Mr Ghafar Baba, Pegi's chair-

In the process the love-hate relationship between Dunlop and Pegi has served to exacerbate both racial and relationship.

Anglo-Malaysia relations.

The latest deal is extremely advantageous to Dunlop. By exchanging its 51 per cent direct holding in DMI for an indirect 25.5 per cent stake, through a fairty cathed Dunlop.

The latest deal is extremely were expensive by comparison with London, particularly those of Dunlop Holdings which was making heavy losses and was an undertaking to stop buying joint company called Dunlop-Pegi SDN Berhad, the UK company gets a strong injection of cash, while retaining full con-

trol of DMI. Dunlop will now also be able to by-pass the Malaysian Govern-ment's new economic policy under which it would have had to reduce its stake in DMI to

30 per cent.

DMI is capitalised at 100m ringgit (344m) divided into 100m one-ringgit shares and has a current market value of some 400m ringgits. It makes tyres, sports and household goods, and earned an after-tax profit of

December, 1981. For Pegi, the latest deal frees it from seeking in loans the out two inspectors to check on \$220m it would have needed to the situation. The mission failed buy control of DMI, an expento find out the full extent of the sive and difficult matter which Far Eastern interests. shareholders were deeply con-

2.95 ringgit following the new arrangements announcement ing for the right opportunity to on Wednesday. However, the take over control—and that this Malaysian financial community action had the indirect support remains unimpressed by the of the Malaysian Government.

eying Dunlop, but somewhere Malaysia was keen to acquire, along the line, it got side- Dunlop's directors saw the

BY CHARLES SMITH IN TOKYO

year-to-year decline in the pro-duction and sale of cars since

one passenger car manufac-turer, plans to invest about

Y200bn (\$836m) during 1983, of which Y12bn will be earmarked

number two manufacturer, pre-dicted yesterday that it would

spend about Y190ba on capital

investment projects inside Japan during the year beginning next

"capacity expansion and

the 1973 price rises.

welfare.'

some very messy situations."

The Pegi-Dunlop saga began

sensitivities in Malaysia and contribute to the strain in Anglo-Malaysia relations.

The latest deal is contributed to the strain in Pegi was in an expansive mood. Also at this time shares on the latest deal is contributed.

roar in Malaysia. Politicians attacked it on grounds that effective control of a big plantation group (with 54,000 acres) passed to a Chinese corporation.

## Wong Sulong looks at the latest

Mr Ghafar and his associates for control. began picking up Dunlop shares on the London market for be-tween 50p and 80p, and built up a holding of around 20 per

In late 1980 rumours of a Far 23.8m ringgit in the year ended Eastern takeover bid for December, 1981.

Dumlop became so rampant that For Pegi, the latest deal frees the UK Board of Trade sent

All the time, Mr Ghafar and cerned about. Pegi maintained they were
It is not surprising that Pegi simply buying Dunlop shares as
shares shot up by 13 cents to long-term investments, but there

ments one merchant banker, major plantation and manufac-who adds "I can't help feeling turing interests in the country sorry for Pegi. It started out and advanced rubber-based and on a good wicket when it was industrial technology which

pany now expects to spend. Roughly Y75bn of Nissan's 1982-

83 capital expenditure will be

Overall capital expenditure allocated to new product by the industry is likely to be development.

saddled with an unhappy tie-up into Dunlop. He felt they should with Pirelli. The MPH-Pegi joint company set up to manage Dunlop Estates

> December, the two announced they were dissolving their partnership.
> Dunlop Estates is now to go to

The sale of its estates gave Dunlop Holdings only a brief respite from official pressure. In January last year, Dunlop Malaysian Industries (DMI) lost tract it had held for almost two decades. The UK company was conscious that pressure was ments in the Dunlop companies building up for it to reduce its will prove worthwhile.

deal reached in September 1981, they agreed to sell to Malaysian interests, Multi-Purpose Holdings (MPH) and Pegi, a 51 per cent stake in Dunlop Estates on condition they did not increase their buying in the UK parent. Dunlop received 211m ringgit from this sale.

The deal raised a political uproar in Malaysia. Politicians attacked it on grounds that the price was far too high.

Pegi directors said they planned to make a rights issue to raise the money, while minority shareholders of DMI were offered a share exchange. However, after the dust had settled, it became obvious to both Pegi and Dunlop that the Malaysian authorities would insist on a cash offer to DMI minority shareholders.

In such an event, Pegi would have been faced with raising a total of 500m ringgit for the entire equity of DMI, an amount most banks would balk from lending during these difficult times while Pegi's track record is by no means impressive. For example in the six months ended September 1982, its pre-tax earnings were only 3.1m

ringgit.
It was largely for this reason that the latest deal was negotiated. The 51 per cent Dunlop UK stake in DMI would be transferred to a company, jointly owned by Dunlop and Pegi. For this privilege, Pegi will have to raise 127.5m ringgit through a bank loan, and later possibly a rights issue.

Pegi has emerged from its fight with Dunlop with little to boast about. It risks having substantial assets (16 per cent in Dunlop Holdings and 127.5m ringgits for 25.5 per cent of DMI) locked up in companies DMI) locked up in companies over which it will have no direct control. However, Mr Ghafar maintains that Pegi's invest-

The Dunlop-Pegi saga is by At the same time, Malaysian no means over but it does ap-groups, including Sime Darby, pear that the aggressiveness began to become interested in and confidence that Pegi disbuying DMI. However, the price played three years ago is gone.

> This appointment appears as a matter of record only. All the shares in this issue have been privately placed outside the United States. The shares have not been registered for offer or sale in the United States or Carada (including their territories and possessions) or to United States or Canadian persons as part of the distribution of the shares. \_

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Schroder Energy Associates, Inc. Houston and New York

**繼 Schroders** 

Med.u

U.S. \$75,000,000

**Banque Worms** 

Floating Rate Notes Due 1994

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 4th February, 1983 to 4th August, 1983 the Notes will carry an Interest Rate of 10½% per annum. The relevant Interest Payment Date will be 4th August, 1983 and the Coupon Amount per U.S. \$10,000 will be U.S. \$505,92.

Credit Suisse First Boston Limited

Bank of Tokyo (Curação) Holding N.V. US \$75,000,000



Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by

The Bank of Tokyo, Ltd. (Katashiki Kaisha Tokyo Ganta

In accordance with the provisions of the Agency Agreement between Bank of Tokyo (Curação) Holding N.V., The Pank of Tokyo, Ltd., and Citibank, N.A., dated february 2, 1981, notice is hereby given that the Rate of Interest has been fixed at 10 kg. B. p. and that the interest payable on the relevant Interest Payment Date, August 4, 1983, against Coupon No. 5 will be US\$252.96.

February 4, 1983 Landon
By: Citibank, N.A. (CSSI Dept), Agent Bank. CITIBANCO

## round in the Dunlop-Pegi saga

al. Dunlop was the sort of com-"It gets Pegi nowhere," com- pany Malaysia wanted. It had

did not last long. It was a marriage of convenience, MPH

MPH, while Pegi effectively retains its 24m shares in Dunlop

51 per cent ownership policy.

had brought in Pegi only to appease the Malays, and last

Holdings, representing 16 per cent of the UK company.

a 20m ringgit contract with the

Japanese car-makers cut spending plans

1983 investment budgeting reflects, among other things, the

down about 8 per cent from last year's total (which itself was revised downwards from earlier estimates). Some companies, however, will be spending 30 Y70bn on plant and equipment to 40 per cent less than a year ago with the bulk of their funds allocated to rationalisation

Toyota Motor. Janan's number development.

development.

The number three Japanese year maker, Toyo Kogyo (whose cars carry the Mazda brand name) expects to spend about 40 per cent less than a year during its next fiscal year, starting in April. This is only Y5bn less than the company will have spent during the current year. Toyota Motor, Japan's number spent during the current year dustry — Yamaha and Suzuki the Japanese vehicle industry ne passenger car manufacture but nearly Y30bn below the —have both announced sharp jumped from Y479bn in 1979 to user. plans to invest about 1982 budget. Mitsubishi Motors announced plans for a cut of one-third in its capital expendiing reasons. relfare."

ture budget for the year begin on plant and equipment in 1983 the booming 1980s. The investNissan Motor, the industry's ning April, from Y75bn to (Y27bn compared with last ment figures continued growing,
number two manufacturer, preY50bn. The company declines year's Y37,6bn) after experience to Y864bn in 1981 and to Y916bn to say how much, if any, of the money will be spent on capacity

JAPANESE MOTOR manufactory in the first ment budgets following the first ment budgets followed by the first ment by the first ment budgets followed by the first ment by th

is Honda, which expects to will produce the new Suzuki "S" spend the same amount of car (a one-litre model destined money in the coming year as in for sale under an OEM contract 1982 (Y95bn). Honda's bullish to General Motors). The S car spectacular success on the Japanese home market of its-1.7 litre car, the City.

the Japanese motor cycle in-

rule of diminishing investment company's own expectations by in the Japanese motor industry work on a Y40bn factory which

car (a one-litre model destined entry to the Japanese motor in-dustry, proper, since the company has never previously built cars with engine capacities Honda's main competitors in greater than 550 cc. Overall investment capital in

budgets, although for contrast- and motor cycle manufacturering reasons. Yamaha will be strove to prepare themselves spending nearly 30 per cent less for what they hoped would be year's Y37.6bn) after experience to Y864bn in 1981 and to Y916bn ing a pile up of stocks, partilast year, but it now appears cularly in its overseas markets, that this may have been the increases, but at least two-thirds Suzuki's investment budget for peak. A figure slightly over of the total is believed to have the current year has been set Y800bn appears possible for

1,800,000 Shares



## **Comdial Corporation**

**Common Stock** 

All these securities have been sold. This announcement appears as a matter of record only.

Prudential-Bache

L. F. Rothschild, Unterberg, Towbin

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Robinson Humphrey/American Express Inc

Rotan Mosle Inc. January, 1983

Rothschild Inc.

Tucker, Anthony & R. L. Day, Inc.

May. This is Y20bn less than been allocated to energy saving Y32bn, down from 1982's record

New Issue



The First Boston Corporation

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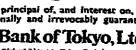
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## HIGH SPEED SATELLITE LINK EXCITES U.S. ATTENTION Universe shrinks the computer world

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William

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COURT CO

UNIQUE: collaboration between industry; government and universities will get its first public airing later this month. It is Project Universe -a 53m, three year research study to assess the future and practical problems of linking large computers over long dis-tances at high speed.

In essence, Project Universe puts together two concepts of computer linking for the first time. These are local area net-works and high speed satellite

Those involved in the work are the Department of Industry, the Science and Engineer-Rutherford Appleton Labora-tory, British Telecom, tory British Telecom, Cambridge University GEC, Logica, Loughborough Univer-sity of Technology and Univer-sity College London,

However, other companies including BICC Cifer Systems, Marconi Avionics and Orbis Computers are to provide equipment and support for the first official demonstration at the Information Technology and Office Equipment Exhi-bition which will be held at the Barbican Centre on February

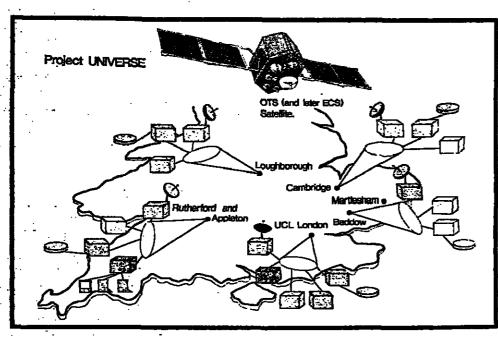
Industry has shown a keen interest in the research work because the transmission of high bandwidth digital data between computers separated by both short and long distances is becoming increasingly im-portant to business, industry and in scientific research.

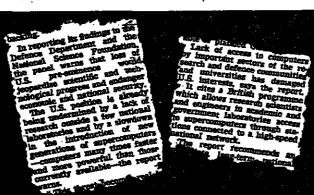
#### Rmg

Over short distances the problem of communication between computers has been solved by the local area net-work. This is simply a ring of cables, rather like the ring mains for electricity in the home — to which all the computer equipment, terminals and printers are plugged in.

There are many different local area networks, or LANs, on the market but Project Universe employs the Cambridge Ring, developed by Cambridge University. Packets of digital information each with addresses travel around the ring until they reach the computer device with the

correct address.
In the Cambridge system packets of digital information of fixed length circulate round the ring in one direction only. -hasic transmission, speed





that speed in a few years.

office building or a small research laboratory. For much larger buildings or applications several rings may be needed. Each individual ring could be linked by a communications channel to a master ring running around the whole area.

In this larger configuration, correctly addressed packets of data still reach the required destination anywhere in the network.

another is around one megabit they can be linked to other than 30 sites which might be a second but will be 10 times LANs which are further away. needed in large commercial The data which travels at a A single local area network speed of up to one megabit a might serve an industrial plant, second is beamed to the Eurosecond is beamed to the Euro-pean Orbital Test Satellite

(OTS), which then transmits

the signals to all the earth

stations involved in the Uni-

#### Commercial

verse Project.

An important feature of the project is its great flexibility since it allows any computer device at any of the sites belonging to the participants to In the Universe Project, such pass Information with any For example, Loughborough rings are then connected to other. This type of system can University of Technology will of data from one station to satellite earth stations so that be extended to cope with more be demonstrating a frame store

Above: A total of seven loca tions are linked into Project Communications series of satellite links. For the first public demonstration at the Barbican centre, these links will be controlled by GEC computers. The success of this project paves the success of this project paves the way for commercial high speed data communications with good export prospects for British companies.

Left: How the U.S. feels its

lead in computers is being eroded by European coun-tries. First printed in the Financial Times on January 20, a report cites Project Universe as an example of Britain's advanced technology

applications

For the Barbican demonstraing four individual applications of the ring system. The Logica VTS Polynet ring a satellite is laured in lacks a satellite link until Telecom I, the French national communications satellite is laured in lacks a satellite in laured in lacks a satellite link until Telecom I, in lacks a satellite link until I lacks a satellite VTS Polynet ring, a commercial version of the Cambridge design, will be used plus a British Telecom mobile satellite ground station linked to the exhibition hall by an optic fibre

The experiments illustrate the many different needs of the Universe Project participants.

JAPANESE FIND THE RIGHT KEY

## New scale for TV system which builds up a music printing

BY CHARLES SMITH IN TOKYO

MUSIC PRINTING is one of the last strongholds of tradition in an industry which, in the past five years or so, has been changed out of recognition by the introduction of computer typesetting techniques

Despite its high performance, typesetting techniques. If Japan's Toppan Printing UCL says that only a low cost microcomputer is needed for terminal access so it will use the BBC microcomputer for the Company has its way this may not be the case much longer. Toppan is working on a system called Scan-note which applies to the far more complicated process of setting up a page of

slow scan digital picture for analysing images; Logica VTS will show word processors and

microcomputers connected to a

LAN, and University College London will demonstrate a

system capable of high speed

transfer and retrieval of text. pictures and video text stored at

According to the Science and

Engineering Research Council, SERC, the main benefits of the

project will be the experience of operating such a complex system and the ability to demonstrate it to potential over-

Mr John Burren at the

Rutherford Laboratory, one of the team leaders of the Universe

mission rather than all forms of

France also has "Nadir"

communication provided by

which is presently only operat-ing on a small scale and lacks

a distant database at UCL.

demonstration.

seas customers.

The system will not only speed up the painfully slow pro-cess of getting music ready for the printer, according to Toppan, but will also probably change the economics of the industry — making it possible to print more kinds of music than in the past and greatly simplify the printing of arrangements or adaptions of existing

Project, said that the participa-tion of the three commercial The system which is now being tested at Toppan's Itabashiku factory in northern Tokyo, and which should hit the market later this year, uses no metal and does not require a craftsman Instead the operator. companies allowed them to exploit any results immediately.
"It is one of the few areas in computing where the UK is in the first division," he said. craftsman. Instead, the operator cratisman, instead, the operator sits at something closely resembling a piano keyboard "playing" the notes of the score into a medium-sized scientific In fact, a recent U.S. report commissioned by the U.S. Government warned that Europe and Japan were catching up with the U.S. lead. It men-tioned the Universe Project as

computer. A conventional computer input terminal, consisting of a typewriter keyboard and CRT screen, is used to provide additional information to the coman example of the British threat to U.S. computing. Mr Burren said that there were only two similar projects puter such as the time, signaon high speed data transmission. One is the Wideband Satellite experiment being carried out in ture and key signatures of a piece, any changes in key or time that occur in the middle of the U.S. for defence applications. the page, the number of bars to However, this tends to concentrate on high speed voice trans-

a line and so on. The terminal can also be used to describe to the computer rythmic or harmonic patterns that recur repeatedly.
Information transmitted to

the computer is sent to a standard printer terminal (of the kind manufactured by Japanese companies for printing kanii characters) which kanji characters) which produce a slightly larger than life-sized proof of the original

Project Universe, however, can make use of the OTS satellite with the help of six GEC 4065 minicomputers. These form the vital link between each of the participants' computer or local area network and the satellite network. The manuscript.
The operator corrects this, and adds additional symbols such as dynamic markings, with a stylus which picks up the appropriate symbols from an the satellite network. The system will then be able to adapt to the European Com-munications Satellite, ECS, which will be the commercial version of the OTS.

electronic menu chart. Finally, the completed page is reproduced by a leser powered plotter in the form of "block copy" which goes directly to the print shop.

Typesetting by the Scan-note system takes about one hour per page, or up to two hours in the case of complicated manu-scripts where large numbers of insertions have to be made at the proof correcting stage.

Faster setting up of music from unpublished manuscripts is not the only advantage Toppan claims for the system. The company has developed software which will enable a sheet of music in, say, C major to be reset in C sharp major (or any other key) on a single in-struction to the computer. Another programme can be

used to set a full orchestral score as a series of individual instrumental parts — without going back through the whole of the original typesetting

A future refinement of Scannote will take the form of directly linking a synthesiser to the editing computer, enabling composers to compose their music directly onto the printed sheet. Toppan thinks this facility may be of special interest to film companies which are at present spending heavily on the editing and re-editing of music after it has been written out in manuscript form.

The Scan-note system could

probably never have been put on the market as a complete package (involving host com puter, terminals, software, etc.) without the benefit of the allround expertise in printing and electronics that is the speciality of Japanese printing companies This is not to say that Toppan

did all the work on its own Scan-note, as the name suggests Scan-note, as the name suggests, was originally the brainchild of a Dane, Mr Nogens Kjaer, who taught himself computer programing and then developed the software required for turning a page of music into computer language while teaching music Mr Kjaer took his ideas to Dataland, a Danish software company, which, in 1978 helped him to set up a company that

would first provide computer ised music setting services and then hopefully start marketing the system itself to publishers. Scan-note Denmark had

achieved an output of about 50,000 sheets of computer set music per year in early 1982 when high Danish interest rates company—and to hand over his

from within the pacemaker-

including a cardiac electrogram during pacing—which comes in the form of a printout for

The custom designed micro-controller has been developed and will be manufactured by Harris and the circuitry will be

CCS is aiming for 3 per cent of the U.S. market and 1 per cent of the world market in 1985 —which would mean sales of

Apart from Intermedics the U.S. market is dominated by Medtronic with a 41.7 per cent share, Cordis, 12.5 per cent and

Cardiac Pacemakers with 5.8 per

cent. But Mr Brownlee believes

the big breakthrough is still to

come. He says he has developed a sensing system sophisticated

enough to allow pacemakers be used routinely to

control tachycardia (rapid heart

tachycardia pacemaker

completed by Raytheon.

patient files.



#### instruments

#### Transient wavelength recorder

THE DATALAB DL1080 programmable transient waveform recorder is designed to provide unattended and to provide mantenard and reliable monitoring of data line transients, with output to hardcopy devices and data line storage. The advantage claimed is that the recorded wave forms are directly suited to automated computer applyeds. analysis.

In one application, the recorder was used to monitor line transients caused by lightning strike effects which were detected at a telephone exchange, so that protection measures could be correctly specified by engineers instal-ling the exchange equipment.

Datalab is also offering a new digital random waveform new digital random waveform capture and storage system, able to operate unattended, to store the signal information on a Winebester disk subsystem for such applications as the lightning strike work. Data Laboratories is at 28 Wates Way, Mitcham, Surrey (01-640 5321).

## Computing Software solicitors

A REVISED, up-o-date version of DATA-LEX, a com-prehensive accounting, bookkeeping and time-recording program for solicitors, has been introduce by the software organisation Dataview.

The program writ'n for Commodore computers which can perform multiple processing, can provide in-stant reports, allow partners to distribute the workload through a time-costing record and will maintain a record of solicitors' and clients' money in separate accounts. Data view: Portreeves House, East Bay, Colchester, Essex (0206 86941).

#### Automation Engelberger Change of pace in heart control on robotics

MR JOE ENGELBERGER, president of Unimation, the major U.S. robot manufacturer, will be discussing the place of robotics in the factory in a forthcoming Financial Times conference on manufacturing automation. Other speakers will include Mr Dick Daubenmire, vice-president manufacturing and product assurance for 1BM Europe and Mr D. H. Roberts,

director of research for GEC.
The conference "Automated manufacture-adopt or decline?" will take place on February 21 and 22 at the Royal Lancaster Hotel, London Further information from FT Conferences on 01-621 1355.

## **Intel 8088**

as a matter of record only.

TYPING errors in the story "Battle lines for the micro wars" (this page February 2) may have confused some readers. The Intel processor in the IBM Personal Computer is the 8088 not the 8088 is the 8088, not the 8086, which is half-way between being a 16-bit and an 8-bit

#### MEDICAL ELECTRONICS

This announcement appears as a matter of record only.

## US\$45,000,000

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Agent

**Wardley Limited** 

December 1982

BY RAYMOND SNODDY A NEW heart pacemaker com-

Cardiac Control Systems, set up in 1980, plans to begin Marc clinical trials of its new pace of Ir maker in the U.S. this summer 1979.

and hopes quickly to take a noticeable slice of a market estimated to have been worth \$510m (£337m) in the U.S. last year and a total of \$750m worldwide.

CCS says it has successfully designed "a system that for the first time incorporates all known physiological pacing modes for the control of brady-cardia (slow heart rate). It can deal with 18 different operating modes including the ability to proceed the extraction. to pace an d sense in the atrium and ventricle.

Many of the people behind CCS were involved with Intermedics, the number two U.S. pacemaker company with a 24 per cent market share in the U.S. last year.

The CCS chairman Mr Robert Brownlee, an electronics engi-neer who designed the new pacemaker range, was closely

FINANCIAL TIMES

AMSTERDAM, BOMBAY, BONN

involved with the introduction transmission of detailed data pany is poised to enter the intensively competitive U.S. cardiac pacing when he was a market with a product they consultant engineer with Intendescribe as a "significantly medics."

The president and chief executive, Dr Charles Del Marco, was medical director of Intermedics from 1974 to

Mr Brownlee, in London this week for a private placing of around 37 per cent of the CCS equity to raise \$8m in working capital, says he believed it could be one of the last startups in the now established pace-maker industry: "In 1974 it took Intermedics four months and \$400,000 to develop a new product. Now it's three years and \$10m to \$12m," he said.

Apart from being able to cope with every mode that is viable for the human heart Mr Brownlee says the main advance in their new pacemaker lies in the human engineering.

A much simpler programming code has been developed for doctors, which can be altered externally without further surgery, Mr Brownlee says, and much simpler telemetry procedures for patients.

Doctors can initiate automatic two years.

beat). At the moment drugs are considered more satisfactory than existing pacemakers. The CCS could be on the market within

operates a subscription hand livery service in the busines centres of the following major cities:

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## IRELAND

**DM** 75,000,000 8% % Bonds due 1990 Private Placement -

**WESTDEUTSCHE LANDESBANK** GIROZENTRALE

milea

Steetley

reduces

By Charles Batchelor

manufacturing interests.

chemicals

operations

STEETLEY, the diversified miner-

als, construction materials and chemicals group, is to dispose of most of its remaining chemicals

It is negotiating the sale of its

chemical operations at Stratford,

East London, including its 80 per

cent interest in Berk Spencer Acids, to RTZ Chemicals, which is the mr-

The operations involved in the

proposed sale employ 200 people and account for annual sales of

about £11m (\$16.6m). A small reduc-

tion in the workforce is likely to oc-cur after the transfer. Steetley said.

The principal products of the Stratford plant are sulphuric and

hydrochloric acid and sodium bisul-

phate, a basic ingredient in toilet

Steetley has closed or sold four of

its five main chemical production

plants over the past year, including one at Sandridge, Herts, making bromine compounds used in the cosmetics and food industries, and

its rare earths plant at Widnes

its manufacturing and extending its trading interests," said Mr John Ro-

bertson, managing director, "Manufacturing has been relatively less

protitable and we have made econ-

The company has annual trading turnover of £30m and represents

mainly foreign manufacturers in the UK market.

"Steetley Chemicals is reducing

cleaners.

losses in first half

A HIGH COURT judge yesterday ruled that ICI was fully entitled to vote all of its 49 per cent sharehold—

Mr Hyman announced yesterday respectively. We have a price determined by the deal because he has the intercept court. The deal because he has the intercept court court. The deal because he has the intercept court court. The deal because he has the intercept court court. The deal because he has the intercept court co ing in Carrington Viyella behind voting stake to 35 per cent.

He awarded costs against Mr Hyman and refused him leave to appeal, though Mr Robert Wright, QC, counsel for Mr Hyman, said there would be an appeal to the Court of Appeal seeking to overturn that lat-

The judge also refused to accept a further petition from Mr Hyman that the court should order ICI or Carrington Viyella to buy his

BY OUR FINANCIAL STAFF

CHRISTIE-TYLER, the furniture

and upholstery group, reduced its

losses sharply during the six months ended October 31, 1982. At

tember although "at an unsatisfac

Recent moves in exchange rates are having a serious effect on the

group's costs of imported textiles

he had bought another 500,000 the proposed CV-Vantona merger.

He rejected a petition from Mr
Joe Hyman seeking to limit ICI's sent.

Shares in Carrington Viyella at 9½p.

bringing his total holding to 6.8 per cent.

Vantona has stated that it will not go unconditional on the offer unless it receives acceptances from 90 per cent of the shareholders by the deadline next Wednesday, Last night it reported its support as be-

ing anything but Mr Alliance, managing director of Vantona, said af-

Desperate attempts were being made last night to bring the two men together to discuss Mr Hyman's holding before Wednesday.

day's date is that under the takeover code any shareholder accept-

ing just over 87 per cent. But if 90 per cent of the Mr Hyman left court without say shareholders accept the deal then terwards: "Mr Hyman is, I am sure, Act of 1948 to compel Mr Hyman to

## Christie-Tyler cuts **Barlow to**

BARLOW Estates, the wholly owned subsidiary of Barlow Hold-

from 7.7p to 2.3p but in view of the losses incurred there is again no interim dividend. The last payment was a final of 3p for the 1980/81

and timber and based on the fall of the pound since November alone are costing an extra £1m a year. Until these exchange rates move, the directors had considered a small profit would be made for the od the year before, and a return to year as a whole. However, the profits for the year as a whole even chairman says these changes and ceptable level in relation to sales." the substantial cost increases in

polyether and the uncertain trading conditions for the spring make forecasting difficult. Turnover for the six months de-clined from £35.55m to £33.95m but at the trading level the group moved £137,000 back into the black, er end of the market. Looking further ahead the chaircompared with a previous deficit of

£357,000 against £128.000 Loss per 10p share was reduced "proper profits."

Manufacture of furniture and

the pre-tax level they emerged at	upholstery					
E220,000 compared with E739,000 for the same period last year and	Haif-year to Oct 31	1982	1981			
C445,00 in 1980.		С	C			
In his interim report chairman Mr G M Williams says the group's improved performance was a result of its reorganisation programme	Sales Pre-tax profit Tax Attributable profit	33.95m 220,000°  220,00°	35.55m 739,000°  739,000°			
and an improvement in general trading conditions last autumn.  He adds that Christie-Tyler has	Earnings per share Dividend	2.3p°	7.7p*			
been trading profitably since Sep-	* Loss					

liams said he expected better results in the first half of the current year, compared with the same perithough they would be at "an unac-

He added that the relaxation of hire-purchase controls and the reduced costs of house mortgage interest rates "must have some beneficial result" particularly at the low-

man said the difficulties in no way changed his view that the group £611,000, before interest charges of would, in due course, return to

#### ZANDPAN GOLD MINING COMPANY LIMITED

(Incorporated in the Republic of South Africa)

#### Interim Report for the Half-Year ended 31 December 1982 FINANCIAL RESULTS

The unaudited estimated financial results of the Company for the above period are as follows:

Year ended 30 June		Half-years ended 31 December							
1982		1982	1981						
R000		R000	R000						
14 461	Turnover	6 615,	8 309						
	Income from fixed investment—								
14 300	Dividends	6 607	8 302 1						
63	Interest received	8	7						
98	Sharedealing profit	_	_						
14 461		6 615	8 309						
167	Expenditure ·	82	88						
14 2 <del>94</del>	Profit	6 533	8 221						
<del></del>									
109.8 cents	Earnings per share	50.2 cents	63.1 cents						
No taxation is payable as the Company has an assessed loss for tax purposes									

DIVIDENDS PAID OR DECLARED DURING THE HALF-YEAR

Final ordinary dividend No. 20 of 47 cents per share amounting to R6 120 000 for the year ended 30 June 1982 (198) — 89.0 cents — R11 588 000) was declared in June 1982 and paid on 30 July 1982.

Interim ordinary dividend No. 21 of 50 cents per share amounting R6 510 000 for half-year ended 31 December 1982 (1981 — 63 cents to R6 510 000 for half-year ended 31 December 1982 (1981 — 65 cents — R8 203 000) was declared in December 1982 and is payable on 11

The market value of the Company's holding of 2 200 000 shares in Hartebeestfontein Gold Mining Company Limited was R206 800 000 at 31 December 1982 (1981 — R143 000 000) compared with a book value of R20 900 000 (1981 — R20 900 000).

The market value of the Company's other listed shares at 31 December 1982 was R1 667 000 (1981—R1 017 000) and their book value was R370 000 (1981—R372 000). For and on behalf of the Board G. W. King, Chairman W. F. Thomas

Directors

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							. P/E	
	2-83	_			Gross			Fully
High		Company		Change			Actual	
137	120	Ass. Brit. Ind Ord	137	_	6.4	4.7	80	10.5
154	117	Ass. Brit. Ind. CULS	154	_	100	65	_	
74	57	Airsprung Group	67	_	6.1	9 1	76	13.1
46	36	Armitage & Rhodes	37	_	4.3	11.6	4.2	7.3
292	197	Bardon Hill	292	+ 1	17 4	3.9	12 3	15 4
127	100	CCL 11pc Conv. Pref	127	_	15 7	124	_	_
270	240	Cindico Group	242	_	17.6	7.3	98	110
86	55	Deborati Services	55	_	60	10 9	36	9.8
78	77	Frank Horsell	78 = 4	<b>.</b> —		_	66	70
77	751	Frank Horsell Pr Ord 87	77-4	=	<b>B.7</b>	11 3	6.5	6.9
83	61	Frederick Parker	69	_	64	9.3	3.5	67
55	35	George Blast	35	_	_	_	6 1	12.7
100	75	Ind. Precision Costings	75	_	73	2.7	9.6	12.1
138	100	Isis Conv. Pret	138	+ 2	157	11.4	_	
129	94	Jackson Group	128	_	7.5	5.8	3.9	82
177	111	James Surrough	177	<b>⊥</b> 2	96	54	12.9	14 4
260	168	Robert Jenkins	172	_	20.0	116	1.9	27.3
83	54	Scruttons "A"	73	_	57	78	96	11.4
167	115	Torday & Carlisle	115	_	114	99	5 2	8.8
29	21	Unilock Holdings	26	_	0.46	18		
85	7i	Walter Alexander	72	_	6 4	8 9	5 1	7.4
257	214	W. S. Yestes	255	_	14.5	5.7	67	13.4
237	214					-	• •	13,4
		Prices now available	on Pre	istel pag	je 4814	3.		

## for U.S. medical

to raise about \$8m from UK institu-

tional investors through the placing

of about 1m shares at a price of

\$7.75 per share, it was announced

was incorporated in Delaware in June 1980, was refused a quotation

because it had issued too large a

number of stock options and unex

"If London wants to become an

international capital market, it will

have to accept that other people

raise finance in different ways from

The share capital to be raised will

amount to 27 per cent of the total equity of the company. The remain-

der was raised privately in the U.S.

But the company decided not to wait to obtain a quotation there

which would have allowed it to

raise more money, said Mr Mey-

However, the company expects to

be granted a public quotation on

one side of the Atlantic or the other

in the next nine to 18 months, he

If the required amount of money is raised in the UK, this will be suf-

licient for all the company's cash

needs until 1983. During the devel-

opmental stage of its operations

from June 1980 to September 1982

the company made an accumulated loss of \$2.7m. A further net operat-

ing loss of \$939,000 is forecast for the six months ending in March

But in the subsequent two finan-

cial years, the company forecasts sales of 1,800 and 6,400 pacemakers,

of which 70 per cent would be in the

U.S., producing pre-tax profits of

The money to be raised in the UK

will be used to complete the devel-

opment of CCS's five pacemaker

nodels and to provide sufficient

working capital for their production

The simplest model provides six different pacing modes and is de-

signed to be applied to a single chamber of the heart. The most so-

phisticated can sense and pace both

chambers and provides 14 different

**RESULTS** 

1961

1981

£

**■ McKAY SECURITIES** 

 Sales
 1.59m

 Pre-tax profit
 883,000

 Tax
 447,000

 Attributable
 483,000

profit — — Earnings per share — — Dividend 1.65p

**MUNTON BROTHERS** 

Tax Attributable

Clothing manufacture

Property investment &

development

Half-year to Sept 30

\$360,000 and \$5.9m

and marketing.

ordinary share capital.

Cardiac Control Systems, which

group

A U.S. company which manufac-

The significance of next Wednes-

ing the otier can withdraw that acceptance 21 days after the closing

Vantona could go to the High Court

## end Malay connection

By David Dodwell

ings, is to dispose of its last significant stake in Malaysian plantations. It announced an agreement vesterday to sell its 30 per cent holding in Barlow Plantations for M\$46m (£13.1m) to Permodalan Nasional, Malaysia's national invest-

ment agency.
Until September 1981, Barlow Plantations was wholly owned by Barlow Estates. But to conform with pressure from the government in Kuala Lumpur for Malaysianisation of foreign-owned companies, it then sold 70 per cent of its holdings to Malaysian interests - 40 per cent to Permodalan Nasional and 30 per cent to Perlis Holdings, controlled

by the Kuok family.

On Wednesday, Perlis Holdings revealed that it had also agreed to sell its 30 per cent holding to Permodalan, giving the agency 100 per cent control. Perlis was also paid MS46m - the same price that it paid to acquire its stake from Barlow 17 months ago. Barlow Holdings will be paid 20

per cent of the purchase price im-mediately, and the balance early in

May.
The trigger for complete withdrawal was the depressed state of the world rubber market, and an agreement between the three groups controlling Barlow Plantations that effective management would be easier with clear majority

Barlow Holdings is likely to use the cash raised from the sale to invest further in UK securities and property. This policy was first outlined in the autumn of 1981 when the board revealed plans to spend a large proportion of the £12.14m net profit from the sale of its 70 per cent stake in Barlow Plantations in

these sectors. The Barlow family began operating in Malaysia first as agents, managing other people's plantations at the turn of the century, and over the years acquired substantial equity holdings in many plantations groups. Barlow Plantations com-



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#### 83,446 ■ WILLIAM RANSON & SON Manufacturing chemist 1.48m 65,000 34,000 Sales ..... Pre-lax profit ..... 31,000 74,000 2.08p L5p

#### **SUMMARY OF RESULTS**

for the 53 weeks to 3rd October 1982

	1982 .	1981
	£000	£000
mover	24,857	24,121
ofit on trading	1,097	1,308
ofit after taxation	783	1,100
arnings per share	13.2p	18.6p
vidends per share	8.5p.,	8.5p
et assets per share	214.2p	209.4p
Volumes for year unde	r review disappointin	g and margine

od cash funds maintained throughout year and balance set continued to be very strong. Maintained dividend lects Board's conservative approach in previous years and

rail demand for coaches remains low but new amount" range has been well received and or cess of last year at this stage. Board is wement to Group profits in current ye

Copies of the Annual Report are available from the Secretary,



## UK placing Blundell-Permoglaze profits steady at £2m

BLUNDELL-Permoglaze Holdings has maintained its profit for the year ended October 3: 1982, after showing a 52 per cent rise at the six

months stage.

The final dividend is the promtures heart pacemakers is seeking ised 4.4p net on capital increased by a rights issue, to make 6p for the vear, against 5.6p.

Sales of this group, paintmakers and suppliers to the building industry, rose by £3.26m to £29m, and the profit came out at £2.02m, compared with £2.05m in the previous on the Unlisted Securities Market

We Robert White, the chairman, says the results can be considered ercised warrants in relation to its pleasing, as to maintain the profit a very exceptional export order of £1.5m obtained in 1981 had to be replaced. This was achieved although there was no increase in the general level of industrial activity. us," said Mr James Meynell of the Carolina Bank, which is placing the issue with stockbrokers Laurie Mil-

The major contribution came from the long established building paints and products division, since the newer acquisitions have not yet had sufficient time to have made a **■ BLUNDELL-PERMOGLAZE** Paint Manufacturing and building

Year to Oct 31	1982	1981
	E	
Sales	29m	25.74m
Pre-tax profit	2.0271	2 05m
Tax	359,560	828,680
Attributable profit	2.36m	1.25m
Earnings per share	34.1p	18. <del>6</del> p
Dividend	6p	5 6p

significant impact. There was little growth in the market for decorative paints but the group maintained its

In the Republic of Ireland high inflation has not helped and de-mand was static. Nevertheless, the new Dublin factory war completed and came on stream in June. The Irish company's contribution, how-ever, which reflected additional fi-

Arenson sales directors quit

MRCB (Paints and Wallcoverings) which operates jointly with Leyland Paints in Northern Ireland, had a satisfactory first year of operation.

The Scottish decorative paint market was also very difficult but Federated Paints, in contributing its first full year's profit, was almost up to budget.
Although interests in building in-

sulation systems continues to grow, there remains a very long lead time in orders materialising, the chairman tells members.

At the end of the financial year the net asset value per ordinary share was 157p. Mr White says the

cash position, augmented by the rights issue, proceeds, remains very After tax £359,560 (£828,680) and

minorities this time of £17.681, the net attributable profif is shown at £2.36m (£1.22m) for earnings of 34.1p (18.6p) per share. The tax charge takes account of £1.18m denance charges, was not as great as in 1981. The distribution company this earnings would be 17.1p.

BY MAURICE SAMUELSON

THREE senior sales directors are fice equipment; and Mr Aubrey leaving the troubled Arenson furniture and office equipment group. Earlier this week the group confirmed it was shedding up to half its

They are Mr. Peter Eckford, the group's export sales director, Mr Tony Walton, sales director for ofMr Archy Arenson, chairman,

confirmed last night that they were leaving as part of the company's was a member of the group's main

The company, based at St.Albans Sacks, sales director of the Arvin is to cease making assembled do-domestic furniture subsidiary, who mestic furniture, in which profits have been squeezed by mounting transport and distribution costs. It will concentrate instead on ready-to-assemble furniture and of-

contraction plans, adding that none fice equipment. In its last financial year, it reported a pre-tax loss of nearly £1m.

HOW THE SCOTTISH BUS GROUP STAYS IN PROFIT

## Scotland's far-flung routes

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

that there are relatively few Scots make it difficult to run a bus com-

Yet the Scottish Bus Group, running 3,400 buses over 120m miles a year throughout 30,000 square miles of Scotland, manages to make

The £3.5m surplus in 1981 accounted for just under half of the £7.4m profits of the Scottish Transport Group, the state-owned conglomerate covering ferry and road haulage services along with insurance, travel advertising, public rela-tions business, and the buses.

Scottish Bus Group coaches to London carry three quarters of the 500,000 passengers a year, despite competition from private bus

The Scottish Bus Group has consciously stayed clear of extras, such as meals, hostesses and en-mute trip, relying on the advantages of cial service and send buses into

But the heart of the Scottish Bus Group's activity is the inter-city, inter-Scottish routes.

It is here that the main problems are, too, for the social cost of running buses in Scotland is high - too high in the view of Mr Ian Irwin, the managing director fo the Scottish Transport Group.

He has cut the cost of running the buses through an extensive marketing survey which identified route demand and increased operating efficiency. But the combination of increasing costs for far-flung services on unprofitable routes, reduced financial support from regional authorities to operate these routes, fewer passengers overall and the dangers of fare increases pose a

threat to the group's profit figures. It is easy to see Mr Irwin's predivideo to provide a £8.50 one way cament. He has a duty to run a so-

THE SIZE of Scotland and the fact terminals at both ends with onward deep rural areas where it does not £9m and £10m from the regions in But he also needs to service the

> He needs more financial support vices. the unprofitable routes, amounting to develop economic ways of run-to about 6.5 per cent of costs.

ening to reduce rate support grants to send a bus. for cases of excess expenditure.

ty, but wants it to perform commer- win hopes that some of the more cially as well.

but only at the cost of increasing earmarked for regions such as the the exodus of passengers from the Highlands.

This revenue from the regions to-

profitable areas such as those carday is about half what it was in rying workers from outlying towns 1980. The group now needs about £13m to meet the costs of these serfrom the regions to help him run Mr Irwin has encouraged regions

Yet the regions have increasingly way is to use microbuses to comtight budgets and the government bine postal deliveries and passenis putting pressure on them, threat- gers in areas where it does not pay But the response has been lim-The government also expects the ited. Although unlikely to win furus group to carry out its social du- ther government assistance. Mr Ir

wealthy regions will accept that a The bus group can raise fares, margin of their support could be

At the moment each region has a As the bus group has absorbed re-gional services over the years, it so that wealthy regions do not end has moved into unremunerative up subsidising the costs of the areas. In 1980 it received between poorer areas.

Financial Times commercial law report

## Bank restrained from obeying U.S. subpoena

X, Y AND Z v AN AMERICAN BANK

A BANK has a duty of confidentiality towards its customers and may be restrained by injunction from obeying 2 U.S. subpoena requiring it to disclose documents held in London before a federal grand jury in breach of that duty; and in deciding whether to grant an injunction the English court will have regard to the balance of convenience, taking particular account of whether the bank, if restrained from obeying the subpoena, would be subject to sanction in the U.S.

Mr Justice Leggatt so held when granting applications by three companies, X, Y and Z, for continuance of injunctions obtained by them restraining the London branch of an American bank from obeying a U.S. subpoena to produce account documents before a grand jury

HIS LORDSHIP said that the three companies, incorporated in Switzerland and Panama, were Switzerland and Panama, were concerned in the marketing of crude oil. Two of them conducted their business wholly outside the U.S., and the third handled some business emanating from New York, but operated from headquarters in Switzerland. They were all customers of the London branch of the American bank.

On October 8 1982, as a result of U.S. investigations into the crude oil industry, a subpoena was issued in New York, re-quiring the London branch to quiring the London branch to produce all documents relating to the companies' accounts before a federal grand jury.

The subpoena stated that if the bank falled to produce the documents, it would be liable for contempt of court. It was endorsed by an order of the District Court for the Southern District of New York.

The companies were granted.

The companies were granted injunctions in the UK restraining the bank from producing the documents. The question in the present applications was whether the injunctions should be con-tinued until trial.

panies would sustain if breach of confidentiality occurred was des-cribed as immediate, irreparable and incalculable. It was said in evidence that in politically sensitive areas some principals preferred to trade through intermediaries and not reveal their strategy. Many transactions were entered into by governments and details were highly confidential.

strategy. Many transactions were entered into by governments and details were highly confidential.

Information in the documents would reveal the identity of trading parties and would have serious repercussions. Also, disclosure would open a window on the companies' secrets and put them at a severe disadvantage in relation to competitors. It was not disputed that those consequences might occur.

The bank said that one of its officers might be asked to produce documents in New York, and be imprisoned if he refused.

However, expert evidence for would be inhered a private with the court should the inhered a private would be inhered a private would be inhered anti-trust legislation constituted infringement of UK terzitorial purisdiction.

Mr Longmore said the sub-poena in the present case did not represent any invasion of UK.

The proper use to be made of Westinghouse was not to regard it as definitive, but as containing one important factor which the court should take into account when deciding whether to continue the injunctions.

And be imprisoned if he refused.

However, expert evidence for order, if it took effect in London, the companies showed that there was a doctrine in New York known as the doctrine of "foreign compulsion." The practice was that where a prohibition in one state conflicted with a command in another, a person who made good-faith effort to be released from the prohibition would not be held in contempt of court.

It was said that the injunctions would come within the "compulsion" defence, provided (a) the bank acted in good faith, and (b) disobedience to the injunctions

That factor was that the U.S. order, if it took effect in London, would be in breach of a private interest between bank and customer, but it would also be a matter of public interest, because it might be of wider concern.

Mr Longmore said that public policy was not defeated by private law, and that it was not uncommon for confidentiality to be displaced in favour of a higher interest. He said the bank acted in good faith, and (b) [1981] AC 1096 as showing there was a process of weighing. At

The bank found itself in sanctions.

The subpoena was binding on it in U.S. law, but the courtely representing New the interest in preserving con-

Queen's Bench Division (Commercial Court): Mr Justice Leggatt: January 27 1983

Mr Cresswell relied on Rio Tinto Zinc v. Westinghouse [1878] AC 547 as showing how a subpoena was to be regarded in the UK. There the Attorney-General had submitted that wide investigatory procedures by U.S. anti-trust legislation constituted

That factor was that the U.S. order, if it took effect in London, would be in breach of a private interest between bank and customer. But it would also be a matter of public interest, because it might be of wider concern.

disobedience to the injunctions was a process of weighing. At would subject the bank to serious page 1168 Lord Wilberforce said

UK injunctions prevented it from obeying the subpoena.

It was not disputed that the bank was subject to the duty of confidentiality. That was the same in New York as in London. It arose from an implied term of the contract between bank and customer that the bank would not disclose information without the customer's consent.

Nor was there any dispute that disclosure to the grand jury would constitute breach of that duty, not only in the technical sense. The evidence showed that there was no secrecy with regard to matters entrusted to grand juries.

The damage which the companies would sustain if breach of confidentiality occurred was described as immediate, irreparable of the form of the bank, having properly pursued interests."

York law. It followed that the bank make. It followed that the isgood-faith efforts in the UK to relieve itsself of the injunctions, ought not to be held in contempt in New York.

Mr Longmore, for the bank.

Mr Longmore for the bank, and effect of the foreign court. The nature, scope and customer that as a matter of the place of performance. He to foreign court. The nature, scope and customer the bank would find that as a matter of the place of performance. He to foreign court. The nature, scope and customer to the bank, having properly pursued in the UK.

Mr Longmore, for the bank.

Mr Longmore for the bank.

Mr Longmore for the bank, and effect of the foreign court. The nature, scope and customer to the bank as a matter of the place of performance. He to foreign court. The nature, scope and customer to the bank as a matter of the bank.

Mr Longmore for the bank, and effect of the injunctions, ought not to be held in contempt in New York.

Mr Longmore for the bank, and effect of the foreign court. The nature, scope interests.

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The balance of convenience

was that, on the one hand, con-tinuance of the injunction would impede the exercise by the U.S. court of powers which, by English standards would be reenglish standards would be regarded as excessive—without causing detriment to the bank.

On the other hand, refusal to continue the injunctions would potentially cause very considerable harm to the companies by suffering the bank to act, for its own purposes, in breach of its duty of confidentiality.

The balance of convenience The balance of convenience was clearly in favour of the companies

companies.

It was not a marter of conflict between jurisdictions. It was for the New York court to relieve the bank of the dilemma in which it had nlaced its own national by refraining from holding it in contempt if contempt in contempt in contempt in contempt. tempt proceedings were issued. The infunction should be con-tinued till further order.

For the third company: Jonathan Hirst (Norton Rose Botterell and Rocke).

· By Rachel Davies

ATTENT STORE

Far the first company: Peter Cresswell and All Malek (Sim-mons and Simmons). For the second company: Peter Cresswell and Ali Malek (Lawrence Graham, Crane and

For the bank: Andrew Long-more (Allen and Overy).

WHY BOOTS IS CLOSING ITS TIMOTHY WHITES CHAIN

## Household name that had to go

BY DAVID CHURCHILL

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BOOTS decision to close its Timo- search, the less likely it appeared and has always been profitable, but clear sign that the new management - headed by Dr Peter Main, who became chairman just over a year ago - is tackling Boots' retail- 1848 by a 23-year-old of the same

ing problems.

The basic problem has been Boots failure to capitalise on its substantial retail strengths of a captive market (in its role as a pharmacy) and prime shop sites throughout garden."

Britain. The si

The result has been a profits plateau in recent years, in spite of steadily-rising retail sales that in- of pharmaceuticals and houseware. cluded some real volume growth.

Dr Main and his senior colleagues at Boots' Nottingham headquarters have spent several months looking at the retail problems of the company and devising new strategies for sales and profits growth. Extensive market research uncovered, among other things, the lact that for every El a shopper planned to spend in a Boots store, only 74p was actually spent. This was because the customer could not find - or Boots did not stock - the cal appliances and other household

a part to play in what Dr Main calls "jazzed-up and revitalised Boots." Timothy Whites was set up in name in Portsea, Hampshire, The

shops sold basic products such as oil and dry salt for domestic use the early advertising slogan was "Everything for health, home and The shops were merged with Taylors Drug Stores in the 1920s and

the chain became a marketing mix In 1968 Boots acquired the Timothy Whites chain of more than 600 shops for £34m, removing a competitor and gaining several valuable sites. It converted most of the chemist shops into Boots outlets,

crockery and cutlery. Over the 1970s a strategy developed for Timothy Whites to sell a range of kitchenware, small electri-

and kept the Timothy Whites name

for selling household goods such as

thy Whites retail chain is the first that the Timothy Whites chain had it never really took off in retailing terms. Increasingly, its image ap-peared too old-fashioned and its market limited.

> And as Boots management tended to concentrate on the problems of the mainstream retailing activities, Timothy Whites became the poor relation. Its better sites became Boots outlets, while it was forced to keep the smaller and less

> The decision to close Timothy Whites came, according to Dr Main when it became clear that "the shop-within-a-shop concept was going to become an important part of the revitalisation of our shops. This concept has been developed by Boots to diversify its traditional pharmacy, cosmetics and toiletries sales into areas such as children's clothes and audio and video equip-

The significance of this concept is that once shoppers are attracted in-to a store (and Boots spends some other 28p worth of products sought. goods.

The more Boots management . The chain was only one-tenth of to buy other products in related areas. £10m on advertising to do just that)

## Karonie shows promise

ENCOURAGING results are reported by Australia's Acorn Securities from its Karonie gold prospect, 100 kilometres east of Kalgoorlie in Western Australia. The exploration work is being carried out by Freeport of Australia which can thereby earn an interest of 75 per cent in the property.
Two mineralised zones have been

outlined by drilling so far and both remain open at each end and at depth. In the first zone, drilling has so far indicated just over 5m tonnes of mineralised rock with an average grade of 3.9 grammes per tonne

Although lying at shallow depth, it is below the supergene (an area of enrichment resulting from the percolation of water carrying parti-cles of gold) which would add to the overall values for an open-pit mining operation.

However it is too early to make firm correlations of boreholes which would permit proper calculation of ore reserves and grades. Drill values obtained up to 19.1 grammes per tonne over 11 metres, starting at 55 metres.

## Hanna plunges into the red

BY GEORGE MILLING-STANLEY

THE PROLONGED downturn in (543m) or \$6.85 a share, compared worldwide economic activity, which has hit the steel industry especially hard, has had the expected impact on the results of Hanna Mining of the U.S.

The company, with interests in iron ore and nickel mining and energy, reported a net loss for both the fourth quarter and full year of 1982, and has cut its quarterly divi-dend from 35 cents (23p) a share to 10 cents. Hanna also forecast that the first quarter of this year would be unprofitable.

The net loss for the final three months of 1982 came out at \$65.29m

with profits of \$4.2m or 47 cents a share in the corresponding period of 1981.

loss for the full year to \$80.34m or \$8.47 a share, against \$44.02m or \$4.94 a share.

The results were distorted by several extraordinary items, totall-

ing almost \$60m. These included a debit of \$35.2m from the closure of the Groveland open-pit iron ore nine in Michigan, a larger than expected non-recurring loss from the discontinued mining operations at the Iron Ore

Company of Canada mine at Schef- view of the depressed state of the ferville in Quebec, a loss of \$6.8m steel industry. on the sale of investments and a write-down of \$8.6m on nickel

These figuges brought the net The latest results also included an unrealised loss on foreign exchange of \$8.8m, compared with a

loss last time of \$3.5m. Mr Robert Anderson, chairman of Hanna, said the company was of \$1.9m, compared with \$2.3m in

hopeful that the recent upturn in 1981. The 50 per cent-owned Colow nomic recovery in the U.S.

Just about all of Hanna's businesses suffered last year. For example, the 27 per cent-owned Iron Ore Company of Canada lost \$37.6m. compared with profits of \$104m in 1981, while U.S. iron ore operations

lost \$5.1m against a profit of \$4.6m. Coal operations returned profits motor vehicle sales and construc-tion activity would stimulate an eco-nomic recovery in the U.S.

yo Coal in Colorado contributed \$9.5m to profits, against just \$1.5m in 1981, but this gain was largely He does not expect a profitable offset by losses on the eastern coal first quarter this year, however, in businesses.

## Jimberlana in fund-raising THE Australian gold producer Jimberlana Minerals has raised made at a price of 50 cents per A\$250,000 (£160,000) from a share placement and a further A\$615,942 level in London of 17p.

mine in South Africa, and the Mandor copper-zinc-silver-gold prospect in Indonesia, and for further acqui-

by an underwritten renounceable • Marinduque Mining and Indusssue of shares and linked options. trial of the Philippines, which pro-The money will be used partly to duces nickel and copper with cobalt, fund existing projects, including the gold and silver as by-products, suf-50 per cent-owned Minador gold fered a net loss of Pesos 1.5bn (£107m) in 1982, against a deficit of Pesos 900m in 1981.

Leo Gonzaga reports from Manila that no details are available, but possession of the highest-grade have been pegged.

in the Philippines, returned a net results by Steep Rock Iron Mines, profit of Pesos 222m last year up While the interest aroused is nofrom Pesos 129m in 1981.

duque, and also benefits from the claims, covering about 40,000 acres,

high level of debt and interest payments accounted for most of the loss.

A staking rush has developed in the King Bay sector of the Sturgeon Lake area of north-western Ontario Philex Mining, another company following encouraging gold drilling

The company, a producer of cop- erated by the highly-promising per, gold and silver, has a much Hemlo deposit, our Toronto correlighter debt burden than Marin- spondent reports that nearly 1.000

## Smurfit closures add to paper sector rundown

BY MAURICE SAMUELSON

SMURFIT, part of the Irish-based from the manufacture of speciality Jefferson Smurfit group, yesterday paper used for stationery.

became the fourth member of the lit takes the number of redundant British paper industry since the cies in the UK paper and board in-start of the year to announce a cst in the UK paper and board in-dustry since the beginning of 1983 in capacity.

On May 1 it is to close its two spe-ciality paper machines at the Al-ders Paper Mill, Tamworth, with the loss of 180 of the mill's 290 em-

at Oxford, marks the group's exit group.

year's total. Wiggins-Teape last week said it planned to shed 1,000 jobs at three sites, Thames Board is to close a Warrington mill employing 796, and The move, which follows the re-cent closure of a small Smurfit mill Daily Post and Echo newspaper

## Legislation likely on 'cowboy' receivers

ers' who move in to make rich pick; lified by examination, with one of ings when a company becomes in the exams to be on insolvency law solvent is soon likely to be the sub. He or she need not be a chartered ject of a Bill in Parliament, accounts but the professions of ament report on insolvency. have a disciplinary body;

Kenneth said. This brings the system into discredit, though it has not

cepted in principle the recommen-dations of the Cork Report, which was submitted to the Department of Trade in March last year after al-

THE PROBLEM of "cowboy receiv- • A receiver must be someone qual ject of a Bill in Parliament, seconds accountant, but the professions of ing to Sir Kenneth Cork, author of which he or she is a member must

practice for five years with an ap

A bill would also be likely to dea with powers to discipline directors ship, and with powers enabling a

to save a company in difficulties.

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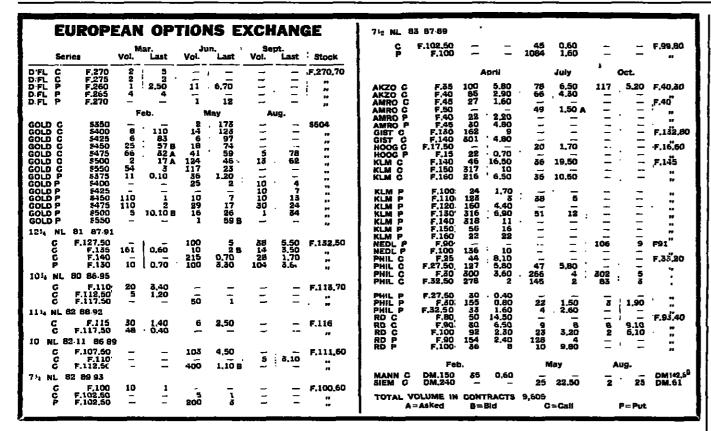
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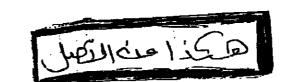
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#### Foreign Exchange Risk - 1983 London 16 & 17 February, 1983

A major Financial Times conference being held at a time when the foreign exchange outlook is a subject of intense interest with changes taking place in the relationship among various important currencies.

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23 Financial Times Friday February 4 1983 **INSURANCE & OVERSEAS MANAGED FUNDS** | Deposit Peers Cap. | 96.3 | 100.3 | 100.3 | 107.4 | 107.4 | 107.4 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | 107.5 | | Batel P | 137.4 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 120.3 | 12 ### Proc. | Part | Infernational Bond Trust | 2. Boulevard Royal, Lusenbourg | Clis A NAV Feb 2 | \$11.22 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.0 Hearts of Oak Besefit Society 129, Kingsway, Lendon, WC2B 6NF 01-404 0393 City of Westminster Assurance Sectry House, 500, Nechary Rodeward
Central Millian Review MKV 22.A. 0708-506.101
West Prop. Fund. 521 201.201
Managed Fand 201. 201.3 1.3 2.7 House From Ford Millian Review MKV 21.A. 10708-506.101
Managed Fand 201. 201.3 1.3 2.7 House From From Fand From From Fand Millian Review From From Fand Millian Review From From Millian Review From From Millian Review From 112.7 House Ford From 122.7 House Fr Control Assets Correcty Funds Ltd. 2 01.588 36.2 195.0 + 1.0 + ... 96.7 + 1.0 + ... 195.0 + 1.0 + ... 195.0 + 1.0 + ... 195.0 + 1.0 + ... 195.8 - 1.0 - ... 195.8 - 1.0 - ... 195.8 - 1.0 - ... 195.8 - 1.0 - ... PRE Front currently closes to any investment.

Private Control of the Control of C | March | Marc | Pro-Link Retirement Fram. | 10.4 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 

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ALASKA AIRLINES			EMERSON ELECTRIC	;		A. H. ROBINS CO.			PITTSTON		
Fourth quester	1982	1981	First quarter	1982-83	1981-82	Fourth quarter	1982 S	1981	Fourth quarter	1982 \$	1981
Revenue	53.5m	42.6m	Revenue	. 811.4m	842.0m	Revenue	130.8m	118.7m	Revenue	592.8m	637.4tn
Net profits	353,000	721,000	Net profits		71.85m	Net profits	13.76m	10.8Em	Net profits	135.9m	27m
Net per share Year	0.04	0,05	Net per stare	. 1.06	1.04	Net per share Year	0.56	0.44	Net per share Year	t0.95	0.72
Revenue	234.5m	182.0m	ENTEX INC.			Revenue	482.3m 48.69m	450.9m	Почепие	2.42bn	2.22bn 42.6m
Net profits	10.57m 1.26	7.67m 1.08	Second Guarter	4000	1981-82	Net profits	1.98	44.23m 1.77	Net profits	111,7m 10,31	1.13
Net per shere	125		<b>-</b>	\$	\$	ROYAL TRUSTCO			Net per share 7 Loss	(67)	
ALCO STANDARD			Net profits		304,2m 7,86m				PHELLIPS PETROLEUM		
First quarter	1982-83	1981-82	Not per share		0.37	Year	1982 CS	1981 C\$	Fourth guarter	1982	1981
Revenue	687.2m	710.2m	Revenue	810.1m	535.3m	Revenue			Loning done	\$	\$
Net profits	9.15m	13.04m	Net profits		13.45m	Net profits	43.6m	39.4m	Revenue	4.06bn	4.09bn
Het per share	0.46	0.63	Net per shere		0.64	Het per share	1.97	1.82	Net persits	154.6m 1.01	186.5m 1.23
AMERICAN PETROFINA		FORT HOWARD PAPE	≘R		SCOVILL INC.			Year Revenue	15.89bn	16.2°bn	
Fourth quarter	1982	1981	Fourth quarter	1982 S	1981	Fourth quarter	1982 S	1981	Net profits	545.9m 4.23	879.4m 5.78
	5 530.3m	531.2m	Revenue	129.4m	114.8m	Revenue,	169.2m	/ 190.0m			
Revenge	14.84m	16.99m	Net profits		20.52m	Net profits	6.05m	4.96m	usf & G		
Net profits	1.37	1.58	Net per share		0.76	Net per share Year	0.64	0.53	Fourth querter	1982	1981
Year Revenue	2.25bn	2 52bn	Revenue	537.0m	471.3m	Revenue,	691.4m	817.9m	_	<b>\$</b>	\$ , 604.6m
Net profits	54.40m	74.14m	Net profits	92.40m	83,05m	Net profits	15,22m	29.98m	Revenue	591.8as 40.69m	38,95m
Net per share	5.03	6.88	Net per share	3.43	3.06	Net per share	1.60	3.78	Net profits Net per share	1.42	1.38
CENTEX			KURGHT-RIDDER			SHELL CANADA			Year Revenue	2.30bn	2.33bn
Third quarter	1982-83	1981-82	Fourth quarter	1982 \$	1981 S	Fourth quarter	1982 C\$	1981 C\$	Net profits	114.1m 3.98	164.5m 5.64
Revenue	244.4m	249.7m	Revenue	363.9m	331.6m	Revenue			U.S. TOBACCO		
Net profits	9.2213	6.59m	Net profits	36.15m	29.31#	Net profits	19.0m	25.0m			
Net per share	0.70	0.50	Not per share Year	1.09	0.90	Net per share Year	0.14	0,20	Fourth querter	1982 S	1981 \$
Reserve	715 <i>A</i> m	809.4m	Revenue	1.33bn	1.24bn	Revenue	133.0m	236.0m	Revenue	86.0m	75.2m
Net profits	25.49m	21.89m	Net profits	102.9m	198.4m	Ket profits	1.09	230.000	Net profits	15.12m	10.99m
Net per share	1.94	1.66	Net per shere	3.14	3.09	Net per shore	1,45	214	Net per share	0.53	0,40
CONE WILLS			RAYMOND INTERNAT	TONAL		SOUTH, NEW ENG. TE	LE.		Revenue	320,5m 55,34m	280.2m 43.01m
Fourth quarter	1982 5	1981	Fourth quester	1982 S	1981 \$	Fourth quarter	1982	1981 S	Net per share	2.01	1.57
Reversue	146.1m	152.0m	Revenue	454.0m	399,9m	Revenue	281.7m	250.3m	ZAPATA CORPORATIO	N	
Net profits	2.64m	8.07m	Net profits	3.2m 0.48	4.79m 0.80	Net profits	24.2m	28.1m 1.96	First quarter 1	982-83	1001 05
Net per share	0.49	1.41	Net per share Year			Net per share Year	1.59		•	S	\$
Revenue	608.2m	667.5m	Revenue	1.62bn	1.09bn	Revenue	1.08bn	1bn	Revenue	128.1m	121.3m
Net profits	12.81m	33.72m	Net profits	12.1m	15.85m	Net profits	91.8m	109m	Net profits	20.86m	22.69m
Net per share	2.32	5.87	Net per strare	1.92	2.56	Net per share	6.12	7.68	Not per share	1.08	1.06

2nd MARCH 1983 REDEMPTION

#### PROVINCE OF NEWFOUNDLAND U.S. \$20,000,000 8½% Bonds 1986

**DRAWING OF BONDS** 

Notice is hereby given that a drawing of bonds of the above loan took place on 20th January 1983 attended by Mr. Keith Francis Croft Baker of the firm of John Venn & Sons, Notary Public, when 2,000 bonds for a total of U.S.\$2,000,000 nominal capital were drawn for redemption at par on 2nd March 1963, from which date all interest thereon will cease.

The nominal amount of this loan outstanding after 2nd March 1983 will be U.S. \$6,000,000. The following are the numbers of the bonds drawn:

38 640	40 717	222 718	22 <b>6</b> 721	521 727	534 749	545 829	549	555 834	560	564	581	584	585	591	597 930	622 622 632	629 950	667 972	67 <b>8</b> 983
991 1279	10ab 1281	1082 1.82	1084 1301	1202 1209	120-	1212	831 1213	1216	843 1224	870 1232	881 1238	898 1248	913 1254	917 1256 1514	1260	1270 1563	1271	1275 1377	1276 1582
1584 18-1	1594	1595	1610	1620	1321	1325 1630	1340 1636	1344 1638	1359 1643	1384	1661	1508 1662	1510 1719	1725	1560 1814	1815	1569 1827	1830-	1831
21-1	1844 2143	1866 2140	1867 2155	1871 2158	1872 2166	1967 2168	1972 2175	1974 2177	1981 2178	19 <b>8</b> 3 21 <b>8</b> 4	2088 2197	2098 2203	2104 2205	2106 2206	2111	2113 2213	2115 2223	2135 2228	2140 2277
2185 2711	232 <b>1</b> 272 <b>0</b>	2323 2727	2546 273 <u>1</u>	2354 2 <b>73</b> 4	235 <del>6</del> 2747	2371 2752	2600 2754	2610 2761	261 <b>8</b> 2766	2621 276 <b>8</b>	2629 2786	2631 2812	2638 2815	2643 2832	2663 28≟1	2664 2850	2674 2856	2696 2868	2ь99 2869
28, 5 <b>36</b> 27	28,7 20,2	زدو: 4034	2937 3053	2909 3062	2940 3066	2943 3068	2947 3103	2950 3108	2962 3125	2964 3155	2991 3158	2992 3159	3001 3162	3010 3166	3 <b>011</b> 3174	301≟ 3180	3015 3185	3020 3189	3026 3191
319 <sub>0</sub> 3336	3297 3297	3468 3414	145ء 15سڌ	3220 3538	3232 3541	3236 3543	3237 3586	3245 3595	3266 3597	3267 3606	326 <b>8</b> 3614	3272 3615	3275 3636	3278 3642	3282 3647	3287 3655	3302 3660	3304 3674	3305 3687
ゴ676 ゴケケエ	3699 4075	370+ 4094	3716 4148	3721 4160	3725 4163	3741 4165	3745 4225	3747 4253	3758 4287	3788 4324	3794 4339	3806 4348	3860 4349	3865 4350	3868 4372	3901 4390	3927 4408	3970 4410	3988 4411
4420 4623	4445 4032	4453 4636	4481 4672	4509 4697	4513 4706	4514 4724	4520 4727	4523 4736	4527 4737	4535 4741	4542 4744	4549 4758	4550 4781	4557 47 <b>8</b> 9	4573 4796	4598 4798	4606 4802	4611 4816	4612 4822
4824 5057	4851 5000	4866 5072	4876 5076	4880 5077	4917 5080	4920 5083	4930 5043	4950 5096	4951 5102	4964 5103	4996 5105	5015 5106	5024 5107	5027 5117	5029 5148	5044 5154	5045 5181	5048 5182	5053 5219
5219 5394	5241 5248	5245 5399	5246 55 <b>08</b>	5251 5510	5257	5258	5271	5288	5290	5301	5327	5330	5348	5356 5612	5368	5377 5650	5381 5651	5388 5652	5392 5662
5003 5836	زەە5	5083	5701	5715	5524 5733	5529 5737	5537 5745	5544 5746	5565 5747	5573 5754	5590 5761	5594 5770	5597 5775	5776	5638 5781	5788	5798	5803	5832
5905	5841 5971	5844 5972	5848 5978	5853 5993	5854 5995	5857 6002	5879 6003	5889 6008	5892 6029	5901 6038	5913 6048	5917 6051	5921 6 <b>0</b> 65	5922 6093	5926 6111	5939 6115	5940 6126		5951 6144
6154 6322	6167 6335	6178 6336	6347	6188 6356	6192 6391	6196 64 <b>0</b> 4	6203 6406	6214 6412	6219 6414	6224 6454	6228 6464	6262 6467	6277 6476	6280 6505	6281. 6509	6296 6510	6310 6512	6526	6320 6527
6723	6725	655 <b>8</b> 6726	6592 6762	6614 6767	6016 6769	6629 6773	6630 6774	6633 6777	6634 6781	663 <del>6</del> 6783	6642 67 <b>8</b> 9	6644 6798	6645 6 <b>80</b> 9	6647 681 l	6650 6813	6651 6821	6657 6837	6713 6838	6718 6839
6851 7028	6855 7040	68o∔ 7043	a870 7046	6873 7047	6892 7057	6894 7058	6896 7073	6897 7074	6915 7091	692 <b>9</b> 7097	6942 7100	6943 7111	6948 7115	6950 7134	6951 7154	6952 7158	6982 7163	70 <b>00</b> 7168	7026 7169
7176 7279	7189 7308	7200 7309	7203 7313	7213 7316	7216 7324	7223 7340	7229 7344	72.34 7357	7236 7362	7240 7365	7245 7372	7246 7377	7252 7401	7254 7405	7260 7408	7262 7426	7263 7427	7264 7443	7265 7445
7∔58 7558	7472 7562	7488 7563	7490 7565	7494 7566	7497 7577	750 <i>?</i> 7581	7512 7586	7514 7603	7515 7616	7525 <b>7</b> 628	7526 7632	7529 7659	7530 7662	7533 7672	7535 7675	7540 7682	7544 7689	7552 769 <b>0</b>	7553 7693
7696 7881	7709 7885	7711 7892	7717 7909	7770 7930	77 <b>8</b> 1 7931	7786 7936	7801 7951	7804 7953	7807 7954	7818 7956	7821 7957	7822 7981	7826 7988	7852 8008	7855 8012	7857 8021	7865 8030	7871 8034	7873 8038
8040 8404	80÷1 8423	8050 8442	8051 8445	8055 8446	8058 8447	8059 8448	8061 8453	8079 8454	8082 8462	8083 8463	8121 8466	8123 8474	8132 8483	8133 8496	8136 8615	81-1 8621	8211 8623	8255 8670	8270 8701
8/0 <sub>6</sub> 9545	8710 9502	8731 9563	8749	8757	8774	8775	9241	9301	9304	9322	9375	9376	9381 9881	9382 9882	9401 9885		9529 9923	9534 9928	9542 9942
9945	9952	10005											10161	10264	10268	10271	10274	10286	10295
8ز⊷10	10461	10-⊳5	10-66	10±36 10÷75	10476	10478	10479	10483	10489	10492	10495	10497	10503	1050 <del>6</del>	10531	10542	10543	10451	10552
10784	1078b	10805	10807	10810	10833	10836	10841	10917	10946	10950	10954	10956	10959	10672 10961	10965	10969	10972	10975	10978
11187	11190	11192	11.00	ذ1120	11219	11220	11223	11231	11238	11239	11245	11248	11253	11130 11262	11263	11266	11270	11274	11388
11394 11326	11395 11529	11400 11535	11402 11544	11403 11545	11410 11601	11412 11602	11429 11608	11437 11633	11453 11643	11471 11644	11472 11645	11478 11647	11494 11655	11498 11751	11508 11732	11513 11736	11514 11744	11518 11763	11524 11764
11766	11707	11771	11773	11783	11784	11798	11820	11854	11856	11865	11867	11873	11922	11923 12468	11924	11968	12071	12159	12173
120-8	120-49	12051	12711	12712	12715	12764	12767	12855	12857	12858	12867	12869	12870	12871 13066	12895	1/925	12929	12933	12935
1,1048	13103 د 1	1.12→	13133	lilel	13142	13146	13148	13157	13168	13169	13180	13187	13196	13199 13326	13201	13205	13212	13213	13214
13362	Bott	13379	13382	12385	13396	13399	13400	13402	13404	13407	13413	13419	13427	13443 13582	13446	13448	13450	13452	13457
13620	0ذه13	2444	9⊷טנ1	13683	13685	13687	13699	13702	13709	13712	13717	13729	13749	13761	13765	13768	13774	13783	13787
13953	13957	13961	13964	13900	13989	13997	14010	14017	14031	14032	14033	14035	14036	14039	14046	14053	14057	14059	14062
14249	14251	14257	14:159	14264	14267	14274	14275	14283	14289	14291	14292	304د1	14305	14203 14316	14333	14336	14352	14359	14361
1~550	14555	6دد14	14565	14509	14572	1-574	14580	14582	14584	14591	14613	14624	14633	14506 14635	14637	14640	14642	14661	14676
د 1482	14831	1.8.0	14853	14854	14856	14869	14883	14885	14898	14899	14916	14921	14942	14784 14943	14957	14968	14969	14971	14973
15099	15100	15120	15129	د1513	ن:1513	15159	15169	15171	15172	15176	15185	15186	15194	15059 15202	15211	15216	15217	15230	15234
15369	15378	87د כ 1	15395	15400	15417	15421	1542b	15431	15433	15435	15450	15458	15459	15328 15466	15488	15497	15503	15512	15516
15613	نا 150	15617	15624	15630	15631	15061	15666	15670	15675	15676	15697	15708	15716	15576 15737	15741	15743	15746	15783	15789
15907	15911	15920	15928	15929	15953	15954	15963	15964	15965	15978	15987	15992	15994	15875 15996	16000	16002	16019	16026	16030
16035 16225	16037	10061 10238	16066	16070 162-5	16Q77 16253	16094 16255	16117	16119	16171 16289	16173	16174	16181	16184	16185	16193	16194	16198	16211	16224
10-+AR	10203	16512	16515	16519	16540	16553	16556	16559	16568	16570	16571	16573	16577	16478 16578	16676	16632	16637	16640	16646
16854 16864	16066	10070	16683	16703 16931	16713	16734 16938	16746 16944	16751 16946	16755 16949	16763 16962	16765 16964	16780 16969	16788 16979	16795 16989	16805 17004	16806 17012	16817 17013	16830 1701÷	16837 17017
17244	17347	173-8	17357	17361	17362	17369	17370	17372	17388	17390	1739L	17398	17484	17140 17406	17412	17426	17449	17459	17469
17602	1760→	1760b	17008	17617	-17620	17623	17628	17635	17642	17643	17650	17670	17673	17570 17576	17681	17683	17685	17727	17729
17736 17878	17745 د1790	17748 17916	17761	17775 17943	17776 17948	17791 17957	17794 17963	17799 17965	17811 17974	17821 17998	17823 17999	17834 18002	17837 18026	17855 18027	17858 18034	17859 18038	17861 18039	17871 18045	17876 18051
18220	18221	1823-	18235	18236	18238	18253	18255	18263	18281	18297	18298	18304	18329	18165 18330	18341	18351	18369	18371	18375
18529	18533	18551	18553	18556	18584	18590	18600	18607	18608	18613	18616	18621	18679	18484 18640	18645	18648	18658	18664	18672
10027	19877	1887	188-0	188-7	1885.	18862	18877	18887	18896	18900	18904	18911	18917	18775 18944 19108	TORRO	10013	lanıa	19070	19022
19140	19147	19151	19165	19167	19174	19175	19178	19183	19184	19205	19208	19209	19212	19108 19214 19327	19219	19275	19238	19246	14241
193/1	TA7A2	19401	19-15	19424	19430	19∔31	19433	19448	19465	19479	19482	19483	19492	19327 19508 19630	19509	19518	14537	16639	14546
190.0	170/2	196/5	1968-	19091	19701	19702	1970⇒	19721	19724	19725	19728	10733	14741	19630 19754 19848	10764	10767	19770	16776	14101
19865	19866	19874	19879	14846	19901	19903	19913	19926	19930	19934	19938	19941	19948	19848	19951	19963	19992	19994	19863 19863

Witness: K. F. C. Baker, Notary Public.

The above bonds may be presented for redemption at par on or after 2nd March 1983 at the offices of the paying agents named on the coupons for payment in the manner specified in Condition 5 of the Terms and Conditions of the bonds. Each of these bonds when presented for redemption must bear the coupon dated 2nd March 1984, and all subsequent coupons, otherwise the amount of the missing coupons will be deducted from the sum to be repaid.

Principal Paying Agent: N. M. Rothschild & Sons Limited, New Court. St. Swithin's Lane, London EC4P 4DU. 4th February 1983

\$500m EIGHT-YEAR LOAN

## Korea accepts tougher terms

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

est international berrowing, a tranche at 0.2 per cent over U.S. \$500m eight-year syndicated loan mandated vesterday by the Korea Transheare Park (KEP).

tranches begins after a four-year as was the case with KDB.

grace period.

Exchange Bank (KEB).

The loan is to be divided into two tranches, each of \$250m. One of these is priced at a reason of these is priced at a reason of the control of the c these is priced at a margin of 's per has moved even higher, while the cent over London Eurogoillar rates, more expensive prime-based and the other at 0.2 per cent over tranche accounts for fully half the U.S. prime rate. Repayment of both total borrowing instead of one third

SOUTH KOREA has accepted \$200m tranche carrying a margin of markedly tougher terms on its latest international betrowing, a tranche at 0.2 per cent over U.S. which the Certificate of Deposit

Front-end fees on the credit are

rate can full below prime rate before it is used as the reference rate for the borrowing instead of prime. It thus represents a minimum guar-anteed profit margin for lending

Korean government officials are understood to have balked initially at the terms on the Korea Exchange Bank loan when they were first proposed last week by a group As late as last autumn another large Korean borrower, the Korea Development Bank (KDB) raised an eight-year loan of \$300m with a last been increased slightly to 130 an instrument in the credit are unchanged at "1 per cent on the Libor tranche and "2 per cent on the Libor tranche and "3 per cent on the Development Bank (KDB) raised prime-tranche, but the "prime-cap" Chicago, Lloyds Bank International, Manufacturers Hanover, Mortal and Chicago, Lloyds Bank International and Chicago, Lloyds Ban

gan Guaranty and Orion Royal Pa-That Korea has now accepted the terms underlines a growing recog borrowers are hardening in the Eu rocredit market. In this context, the Asian market is now keenly awaiting conditions on another large loan expected soon for India's Oil and Natural Gas Corporation, which has

gin borrower. But Taiwan Power Corporation has managed to retain a 1 per cent margin on a 19-year \$100m loan it is arranging through Banque Nation-

## \$200m floating rate note for Spain

BY PETER MONTAGNON IN LONDON

SPAIN is tapping the floating rate note market for the first time with pay in the credit market but fees in pay in the credit market but fees in the first time with the first tim the floating rate note market are a 10-year, 5200m issue led by Lehman Brothers Kunn Loeb. much higher.

Composite Corp. AAA Composite Corp. AA

DEUTSCHE MARK

Australia 74-8 9
Bayer Capital 74-8 9
Beechess Fin 8Vs 92
Black & Decher 9Vs 89
Caisse Nat Bredge 8 93
E.C.S.C. 71-2 93
E.C.S.C. 8 94
E.E.C. 8 94

Misselshi Heavy 75's 87
Misselshi Heavy 75's 87
Norsh Hydro 9 92
O.K.B. 8½'s 88
Sweden Kingdom 8½ 89
World Bank 8½ 92
World Bank 9 92

SWISS FRANC STRAIGHTS

SWISS FRANC
STRAIGHTS
8 F LE 814 92 ...
Bowster Int Fin 8 92 ...
Chugoka Ele Pove Bla 81 ...
City of Usio 614 92 ...
ELC, 614 92 ...
ELC, 614 92 ...
ELTOPATA 614 92 ...
FITSI Inspertation 6 92 ...
Japan Ar Luces 6 94 ...
Japan Ar Luces 6 92 ...
Keushu Elec Power 6 92 ...
Montrieal Usham 614 92 ...
New Zesland 514 92 ...
New Zesland 514 92 ...
Nepus Electrose C 6 93 ...
Priens Labors 54e 92 ...
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YEN STRAIGHTS Austraka 8% 92 E.I.B. 814 92 .

- 61/2 - 81/2 - 81/4 - 81/4 - 81/4 - 81/4 - 61/4 - 61/4 - 61/2

Yield 7.77 7.74 7.57

The launch of the issue yesterday comes at a time when it is extremey hard to price large Eurocredits low it to tap new sources of finance. count of 1.4 points from its par issue

for sovereign borrowers. Spain which has been expected to float a Eurocredit shortly has apparently decided to follow the route recently taken by Sweden and to opt for a floating rate note instead.

The issue bears a margin of 'a per cent over six months London interbank offered rate and there is an additional sweetener for investors who may redeem their notes at par after five years and again after

Bankers yesterday said it was hard to calculate whether a floating rate note issue for a country such as Spain was cheaper for the borrower han a conventional Eurocredit. The

tive to central banks, which prefer to hold shorter term paper.

One advantage for Spain is that Yet the issue was yesterday quotthe floating rate note issue will al- ed in the unofficial market at a dis-

> WEEKLY U.S. BOND YIELDS (%) 1982-83 Jan 25 Higk Febr. 2 11.60 11.81 11.98 15.63 11.18 10.93 10.41 9.79 N/A 11.46 11.83 11.90

14.32 14.56 14.57 13.34 14.76 15.13 15.59 16.13 13.35 10.18 9.91 9.23 9.16 10.55 10.46 11.11 10.26 9.61 9.69 11.39 11.62 11.81 12.13 12.00 11.15

gests that the notes were moving relatively slowly. Lehman Brothers would not, however, confirm the unofficially quoted price.

Elsewhere, the eurobond market was generally quiet with fixed-rate dollar bonds little changed as dealers await the outcome of this week's U.S. Treasury financing operation Northern Telecom of the U.S. has

launched a \$50m, 15 year convertible issue through Morgan Stanley.The bonds bear an indicated coupon of 7 per cent and conversion premium of 15 per cent. South Africa's steel concern, Is-

cor, has launched a DM 100m five year 9 per cent bond issue at par through West LB, while the Province of Manitoba is raising SwFr 100m through a 10 year bond with an indicated yield of 5% per cent

化铁铁矿 电电路

## S & P cuts **Alexander** rating

By Our New York Staff

STANDARD AND POOR'S, the U.S. rating agency, yesterday low-ered the rating on Alexander and Alexander Services' commercial paper citing, among other reasons, the insurance broker's continuing problems after last year's acquisition of the Alexander Howden Group of

S & P said it was lowering the company's commercial paper rating from A-1 plus to A-1.

tion of the Alexander Howden Group by the second largest insurance broker in the world had resulted in lower tangible net worth and a higher level of total debt.

Last month Alexander and Alexander cut its quarterly dividend by nearly 50 per cent after reporting a S36.4m loss in the third quarter including a \$40m charge covering a reduction in the value of Howden Alexander and Alexander reported a \$5.1m loss for the first nine months compared with a profit of \$42m in the 1981 period.

S & P also cited for its decision pressure on margins caused by the soft insurance market which adversely affected commission revenues at a time when expenses continue to grow at a faster rate.

The agency added that the divi-dend reduction, from 48.5 cents to 25 cents a share should help retain cash. However, S & P said a next term return to the previous level of profitability is unlikely.

Brasilvest S.A.

Net asset value as of

28th January, 1983 per Cr\$ Share: 215.194 рет Depositary Share: U.S.\$7,338.70 per Depositary Share: (Second Series) U.S.\$6.891.40 per Depositary Share: (Third Series) U.S.\$5,864.70 per Depositary Share:

> (Fourth Series) U.S.\$5,478.80

#### International Capital **Markets** Review

Every Monday Financial Times publishes a review of the previous week's activity in the international bond markets.

This synopsis of the Euromarkets together with a comprehensive tabular list of current international bond issues offers the reader a detailed and thorough weekly study of one of the most important financial mechanisms in the world today.

## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for February 3

of each month. The ic	llow	ing are clos	ing pric	es	for Fe	ebruary 3.						
U.S. DOLLAR			Chance	æn		New Zealand 84s 87	15	1847.2	16514	8	-01 e	7 12
STRAIGHTS	2500	ed Bid Ottor	day ter	4	Yield	World Bank 84a 92	28	1834	18417	-81z	-0	7.72
Aema Life 15 86/97	150	1887- 1891-	-0% -d		11.43	Ar. once change	15: <b>6e û</b>	ay . Ve.	on wa	A The	-	
Ames 0/S Fin 14% 89	75	189 18915	-0V4 -0		12.02	<b>-</b>						
Amra Bank 13 89	200	1041/s 1041/s	-014 -1	134	11.99					المعلا	a a	
BHP Ference 1474 89	150	10514 10614	-044 1		13.24	DTHER STRAIGHTS	Issued	854	Offer	day .	week	Yield
Sk Mostresi 141/2 87	100	1067: 10774		M.2	12.22	Bni Cal Tel 1714 88 CS		1121			-842	13.78
British Col Hyd 1434 89	200	199% 110%		-	12.35	Cast Unitaties 17 87 CS		1132		Ö	ē.	12.61
Botish Cal Hyd 1544 92	150	11375 114%		042	12.57	Gay de France 15 89 CS		166	1061.4	-8%		11.52
Canada 14% 87	750	110 1101/2	-014 +4		11.23	Gaz Metra 1417 52 CS		18472		-01/4		13.53
Canadar 1at 121/2 89	175	10314 10374		Pi,	11.70	O.K.B. 181 - 88 CS		1141		41.5		
Canadian Wheat 11 to 90	50	981/a 987/s	-0% E		11.56	District Hydro 14 97 CS		1661		874	-1	12.77
Can Pac Ltd 145/s 92	75	1071/2 108			13.18	Seed Exp CR 1214 88 CS	501		9724	-7	-814	12 95
	75	1871/2 198	-196 -1		13.11	Helpford 155-4 80 Ects	. 30.	105%		ė	842	12.55
Can Pac Sec 15 89	100	104 1041/2	-84a -4		10.41	Those Brand 1212 R7 Fra	40		1811	-0%		
Green 0/S 15 84/92	100	185 1851/2		P#s	10.58	Andes 91/2 87 R	- 50		10434		Ð.,	8.32
Coca Cola Int 1134 89	100	991/s 108		144	10.54	Agent Bank Stor B7 Ft	100		1864	- 87va	1	7.80
Credit Statisse 101/2 89		188% 109%				Neder Midble 944 87 F1	100	1847		-814	i	7.93
Deutsche Bk Fro 141/4 89	300			14	11.48	NedBoyd Gra 101-4 87 Fl		1054		- 874	ă	8.68
Du Para 1114 95	150	98% 98%					75 50	18814			-872	7.99
Du Poot 141's 89 WW	200	187 1071/2			12.48	Van Lanschot 1014 87 Fl World Bank 10 87 Fl	100	10724		D.	.8	7.89
EDC 1834 88	100	984 9874		14	11.15		400		9874	. O'/a		14.74
E.O.F. 1234 87	150	102% 102%		174	11.95	0.K.B. 14 88 FF						15.94
EEC 111/2 95	200	961/2 97		144	12.02	Solvey & Ge 1424 86 FF	200		9740	-84s		
El.8 151/2 92	100	116% 116%		ĮV2	13.41	B F.CE. 1447 87 E	30		155%		817	12.76
Exp Dev Corp 1134 87	100	1011/2 1814/2		144	11.33	CE CA. 131/2 88 £	20	101	182	874		
Forsmarks 1334 92	75	1024 102%	0 (		13.22	CMT 1212 89 £	20	97	98	0_	-04	13.04
Gaz de France 1214 93	175	187s 1856	<b>-8%</b> -8	4	12.52	Fan For led 12% 88 £	30		100' s		<u>B</u>	12.31
Gen Blac Credit 12 89	100	194% 105%	-0% -1		18.90	Fio Mat Craoj 124's 92 £	30	21	2124	-63/4		13.31
Getty Od Int 14 89	125	106% 107%	-81/2 -4	944	12.32	Gen Blec Co 121/2 89 £	50		183%	0		11.71
6MAC 0/\$ Fin 1017 90	200	96% 98%	-848 -1	42	11.25	Hiram Walker 1444 86 E	25	1037.		0	8	12.41
GMAC 0/S Fin 15 87	100	1087: 1087:	- <del>9%</del> -		12.24	Mort Bk Fin 1134 89 £	15		2312	8	-04	13.57
GMAC 0/S Fin 15 89	125	111 1111/2		7/8	12.29	Morsk Hydro 12 90 E	30		25° a	8		13.46
Geff Oil Fin 1214 87	100	183% 184%	-8144 -4		11.B3	Norsk Hydro 141:2 87 E	30		186	- 8¥e	. 01.5	12.73
IBM World Trade 1244 92	200	185% 185%	-034 -1		10.59	Qualet 141/2 89 £	30	1827		•	8.0	13.63
Likeyels Eore 17년 94	100	181/4 181/4	-814 -0			Cuehoc 151/2 87 €	35	18574		C	84	13.05
Maenoba Pros 1134 89	125	102% 192%	-8¥s -1		11.15	S D.R France 1512 S2 E	30	10374		• 87:4	6-7	14.68
Manitoha Prov 1344 89	100	108 1081/2		645	11.85	S.N.C.F 111/2 89 £	30		.1742	- <b>8</b> V4	8	13.48
Midland In: For 111/2 92	150	981/1 9844		1	11.77	Tennaco Int 14% 87 £	30	1847%		0	8.4	13.03
Nat West Fin 1144 92	150	99% 188%		144	11.75	World Bank 11% 91 €	75		234.		- 0'Ve	12.87
New Brunswick 1514 87	75	1104 111%		194g	11.89	Eurolista 1042 87 Laper	500		\$972		-0"2	18.65
Newfoundland 151/2 90	75	1997/2 110		11/6	13.32	Europeral 1242 92 Lindft	500	1041/2	105%	• <b>2</b> / a	-044	11.64
Nova Scotla Prv 1514 89	75	112% 1(2%	-0vs -0		12.27							
Ontains Hydro 1144 89	200	100% 1814		ev.	11.85	FLOATING RATE						
Ontario Hydro 123/4 92	200	184 1041/2	-0% -4		11.96	ROTES	Spread			C.dene	С.срв	
Onterio Hydro 15 92	150	113% 114%	_03 <sub>6</sub> _1		12.37	Allied Irish 54 82	<b>54</b> 4	971/2		15/4	1846	
Prodential O/S 12% 87	150	1045% 105%		01/2	11.32	Bank of Totoje 5¼ 91 (0)	0 Ve		1091's	18/6	97/4	9.78
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R. J. Reynolds 1234 88	100	104% 184%	-D44 -4	М,	11.78	B.F.C.E. 5¼ 87	U4e	991 s	993	27/7	9.94	
Saskarchewan Prov 15 92	150	1121/2 113		14	12.59	Caisse Mat Tele 514 90	044	99	991/2	21/4		18.64
Stell Canada 14% 92	125	1861/2 187	-0™ €		13.84	C.C.C E. 514 2002	07/s		2874	11/3		10.05
Superior 0/S Fin 14 89	125	197 1071/2	+07/2 -0		12.25	Cepros 51/4 92	OK.		9976	10/6	9.94	18.01
Swed Exp Credit 14% 90	100	1861/2 1854		142	13.29	Chemical NY 544 84 11	01/4		100%	23/3	9.94	9.93
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U.S.S. 11 89	150	1011/2 182	-81/4 +6		10.61	Gradii Lyonasis 5¼ 97	0 ta	99	3912		12.19	12.28
Walt Disney Pro 121/2 89	75	102% 103%	-0% -1		11.74	Credit Lyonaxis 514 94	B14	9874	994	5/7	92/4	9.85
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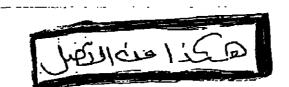
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Av. price changes: at CONVERTUBLE SOURCE CONVERTUBLE SOURCE SOURC

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**IVICE** 

#### WALL STREET

## Drama gives way to tranquility

CURRENCIES 32

MORE tranquil conditions returned to New York's financial markets yesterday morning after a volatile trading passage through the previous three sessions. writes Duncan Campbell-Smith in New

On the New York Stock Exchange advancing stocks outnumbered those declining by nine to five on a trading volume of 78.89m, shares. The Dow Jones. industrial average, having meandered through most of the day on the up side closed just 2.02 ahead at 1,084.66.

The rail stocks provided the one exception to the generally quieter mood, with prospective changes in the regula-tory environment of the industry sparking sharp moves by many of the leading companies in the sector. The DJ Transportation index as a result jumped 12.79 to 474.67. One principal gainer was Rio Grande Industries, which closed up \$7% at \$55%

Of the most active stocks, Pan American extended its dramatic run of recent days, up \$% to \$5% on 2.77m shares. This increased its gain since Monday's

close to \$1%, a 38 per cent appreciation

860

in three days. Interest in the airline's prospects has been focused, according to analysts, by the appearance of a detailed prospectus to accompany a proposed \$100m debt offering. Its results came after the close last night.

0 0

International Harvester, also a regular fixture on the actives list in recent days, and another company with a vexed future, lost some of the ground gained earlier this week, and closed down \$% to \$8%. At the end of last week Harvester stood at \$4%'

The release of January sales figures for the major retailers helped most of the leading stocks in this sector. Sears gained \$\% to \$30\%, K-mart \$\% to \$27\%, and J. C. Penney \$1% to \$53%. Encouraging January car sales figures from De-troit, however, had little apparent impact on the market.

Major companies reporting their results included Nabisco Brands, down \$1% to \$36%, and Dow Chemical, which was unchanged at \$27%. Dow, with 1982 earnings at \$2.07 per share against \$3, announced pre-tax write-offs of \$102m as a result largely of its withdrawal from joint ventures in Yugoslavia and Saudi

Strong earnings reports from two major defence contractors gave their stocks a fillip, with General Dynamics up \$1 to \$38 and Grumman up \$% to \$49%.

Prices rallied in the bond and money markets during the morning but fell back in the afternoon to leave interest rates flat to slightly higher. Dealers continued to focus on the immediate impact of the Treasury's current funding exercise, and Wednesday's confirmation

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from Washington that January had seen an explosive growth of the M2 money supply was received with only the mildest interest on the trading floors.

Federal funds traded through most of the morning at about 8% per cent, moving after midsession up to 8% per cent. The three-month Treasury bill rate was unchanged around 8.41 per cent, but the six-month bill rose to about 8.78 per

cent, both on a bond equivalent basis.

The new 9% per cent 1986 notes closed around 991%2 bid to yield 10.02 per cent against Tuesday's issuing yield of 9.98 per cent. The 10% per cent 1993 notes were 9911/22 bid to yield 10.92 per cent against Wednesday's 10.94 per cent

launching.
The 10% per cent bonds due 2012 dropped as much as % late in the day to 941/2 vielding 11.04 per cent. This issue was scheduled to be reopened after trad-ing hours to raise \$3.5bn of new bonds which in midsession were trading on a when-issued basis to yield 10.96 per cent. Dealers expected the average yield for the new bonds to be around 11 per

#### **EUROPE**

## **Confidence** interspersed with caution

INVESTORS returning to the bourses yesterday morning were faced with no strong initial impulse either to buy or to sell. The declines encountered in Continental Europe on Wednesday, though widespread, had left few issues markedly undervalued; Wall Street's erratic showing overnight provided few pointers; and the interest rate outlook was not substantially clearer despite a more flexible monetary attitude indicated by the Reagan Administration.

But as the day progressed, a somewhat weaker dollar and steadier domestic bond markets gave encouragement to the scattered technical corrections which were occuring among stocks, and many centres finished with a firmer

The refusal of the West German Bundesbank at its council meeting to make any downward adjustment in the Lombard and discount rates was received stoically, as hopes of such a move had dwindled by earlier in the week.

Among slightly firmer banks in Zurich, active Swiss Volksbank rose SwFr 30 to SwFr 1,270 but Bank Leu held steady around its previous level after reporting higher 1982 profits and an unchanged dividend. Insurance and financial issues made modest headway, while leading industrials showed gains for Ciba-Geigy, Sandoz and Nestle.

Trading and price levels for bonds improved but dealers pointed out that the market had not yet fully recovered from its weakness last week.

Better corporate results for Siemens and Thyssen buoyed Frankfurt - the electrical concern added DM 3.90 to DM 261.20 and the steelmaker DM 1.60 to DM 68.60 - and the market received the additional benefit of an improved opinion poll standing for the conservative CDU and CSU parties.

Record unemployment figures were reported both for West Germany and for Belgium, where they were met with less equanimity and contributed to a continued depressed tone for domestic stocks in Brussels. The market ended broadly mixed with oils faring relatively well but electricals turning lower.

In thin Paris trading, Peugeot eased FFr 3.30 to FFr 134.20 after industrial unrest disrupted output for its Citroën subsidiary. Thomson-CSF firmed a franc to FFr 163 after Thomson-Brandt, its state-owned minority shareholder, reiterated its intention to buy control of

Grundig. A similar directionless pattern emerged in Amsterdam, with a mild upturn in industrials balanced by weakness in banks. Trading in RSV was halted after a selloff began on Wednesday. It went on to seek a suspension of payments following the state's refusal of more support.

Trading was thin too in Milan, amid worries that a row over the state energy corporation ENI could threaten the Government, and in Madrid, where electricals led a further downturn.

#### **SOUTH AFRICA**

#### Golds mixed

PROFIT-TAKERS made their presence felt towards the close in Johannesburg to provide golds with a mixed result. Eastern Transvaal Consolidated fell R1.25 to R25.50 but gains elsewhere in the heavyweight end extended to R2.

Mining financials followed but diamonds continued very firm, with De Beers 30 cents higher at the R10 mark and Anamint R6 stronger at R108.

DRG SA featured a firm industrial sector, up 25 cents at R3 after R3.20, attributed by dealers to a possible counterbid to one by Kohler.

#### LONDON

## **Broadening** of demand brings peaks

LEADING barometers of equity market trends rose to all-time records yesterday as investors warmed to revived signals of cheaper international money. Easier short-term U.S. interest rates, following the Administration's shift in monetary policy, superseded slightly lower UK levels as London credit markets had the shackles of nine months of tight money loosened yesterday.

Equity markets were also stimulated by continuing hopes of a give away budget and Wall Street's overnight recovery from earlier low values. Industrial shares went better from the opening bell as investment interest switched from secondary and situation issues to topquality stocks, many of which had failed to participate in the recent upturn.

Numerous recent speculative favourites came back sharply as profits were realised to counter losses sustained in Australian stocks.

The FT Industrial Ordinary share in-dex advanced 14.6 - the biggest one-day rise since last October - to its best-ever level of 646.8, while the broader FT-Actuaries All-share index breached 400 for the first time to close 1.4 per cent up at

Sterling's recovery against the dollar yesterday - although it fell against other leading currencies - aroused enthusiasm for government securities. An absence of sellers fuelled the upturn which took specific longer-dated gilts up 1% points before being trimmed to around 14. Similarly the shorts settled a shade below the best with gains extending to about %.

The major clearing banks attracted renewed investment support ahead of the fortcoming dividend season. Lloyds again led the advance with a gain of 13p at 463p after 466p. Barclays firmed 8p to 440p as did Midland to 338p and Nat-West to 540p.

Good buying of the electrical leaders.

some on institutional account, found stock in short supply and resulted in double-figures gains. Plessey advanced 21p to 596p and Philips Lamps 22p to 809p. Late details of a colour TV agreement with JVC helped Thorn EMI's rise

of 17p to 470p. Increased consumer spending hopes. meanwhile, continued to spur the stores

The Australian mining market was in disarray after heavy overnight selling on Sydney and Melbourne markets as news of a snap election emerged. A sharp markdown at the outset was followed by sustained selling pressure. An attempt at a rally proved short-lived as renewed offerings from London, Continental Europe and the U.S. left the majority of issues near the day's lowest levels.

South African golds staged a modest recovery after Wednesday's shake-out, but closed off the top failed to hold initial levels. Share information service, Page 30-31

#### **AUSTRALIA**

#### **Election jitters**

THE CALLING of a general election was not confirmed until well after the close in Sydney, but the announcement was preceded by a spate of well-founded rumours which served as a severe depressant on prices.

The All Ordinaries index suffered its largest one-day decline in more than a year, off 17.4 to 527.7, with mining stocks the worst hit. The Metals and Minerals index plunged 32.4 to 470.1 while the All Resources marker slipped 24.5 to 414.3.

MIM fell 32 cents and CRA 26 cents, each to settle at AS4, and BHP 20 cents to A\$7. Uraniums also did badly in the light of opposition to the industry within the Labor Party. Similar fears hit Ashton Mining, threatened with a Labor review of its marketing arrangement with

De Beers' Central Selling Organisation. Brokers said resource issues would be the most vulnerable because of nervous selloffs in the large foreign holdings there, whereas local investors could not support the market at current levels.

A hectic final hour in Melbourne wreaked similar havoc with share values. Banks and leading industrials were also affected.

#### **FAR EAST**

## **Tokyo** makes a rapid descent

SPORADIC but widespread profittaking, with foreign selling to the fore, pulled Tokyo share prices down sharply yesterday as investors appeared daunted by the steady if modest gains achieved in the market in the past week.

Steels suffered after the good overseas interest shown in the sector on Wednesday, as did nearly all the international populars which have U.S. list-

ings.
The Nikkei-Dow Jones market average once more lost its grasp on the 8,000 level, with a 116.76 slide to end at 7,991.29 on moderate turnover of 480m shares against the previous 730m. The final hour of trading brought the heav-

iest offloading.

Among the blue chips Hitachi showed the earliest and most serious setback and dampened trading in other quality issues. Dealers ascribed the fall to the poor performance of the stock in New York overnight, where it ended off \$11: to \$32%. On the Japanese market yesterday it faced bursts of sell orders and finished Y17 lower at Y762.

Mitsubishi Electric managed to stave off the pressure and close unchanged. drawing strength from news that it might link up with IBM in producing communications systems.

Government bond prices shed most of an early firmness in thin trading as the Finance Ministry declined this time to intervene.

Lacklustre Hong Kong trading left stocks somewhat easier, with the trading sector leading the downward drift. Swire Pacific was 30 cents lower at HK\$10.80 and Jardine Matheson 20 cents off at HK\$13.80.

Singapore, however, produced sustained buying support in dealings which were active though selective. Properties did well but commodities were neglect-

#### 780 1020 380 Index (30-Share) 630 620 610 Paris CAC General 1976 1979 1980 STOCK MARKET INDICES NEW YORK Feb 3 Feb 3 Previous 1.5250 2.4850 1.5150 2.4950 242.25 1062.64 3.75% 3.75% 353.66 474.67 461.88 364% 10.66 238.75 364% 124.45 -124.4 107.31 D.I LHillies S&P Compositi 2.0190 2.0475 3.07 HOMBOH 2.7340 4.11% 2,7070 142714 2163% 1419% 2152 FT Ind Ord 403.02 397.61 328,72 73.65 FT-A All-shere 429.92 348.88 435.78 · 319.02 FT-A Ind 411.36 405.16 673.3 292.6 FT Gold mines 676.9 77,18 FT Govt secs TOKYO (three month offered rate) 7 001 29 R 108.05 7 880.94 11% 11% 582.04 588.71 578.59 Tokyo SE 3% AUSTRALIA 527.7 545.1-548.2 20% 20% All Ord. 470.1 502.5 395.4 Metals & Mins. (offered rate) 3-month U.S.S 9% 49,08 49.22 55.18 Credit Aktien 6-month U.S.\$ 8.95° RPL OF THE 9.00 103.62 94.32 Belgian SE CAMADÁ Toronto FINANCIAL FUTURES 2031,5 1734,5 2038.5 Composite CHICAGO 346.12 Industrials 301.48 346.45 U.S. Treasury Bonds (CBT) 332.96 285.94 334.14 Combined 9% \$100,000 32nds of 100% DENMARK 73-10 74-06 73-08 73-24 Cocenhagen SE U.S. Tre \$1m points of 100% FRANCE 91.76 91.89 91.75 91.79 CAC Gen Ind. Tendance Cort De 107.5 S1m points of 100% WEST GERMANY 90.97 90.85 90.84 251.67 249.54 228.33 LONDON FAZ-Aktien 750.3 696.1 757.0 Commerzbank S1m points of 100% HOMO KONG 90.55 90.40 90.21 888.06 694.81 Hang Seng £50,000 32nds of 100% 99-09 99-23 98-17 98-09 March 184,59 183.12 Banca Comm. Three-it £250,000 points of 1009 105.0 88.6 ANP-CBS Gen 69.2 91.1 92.0 ANP-CBS Ind HORWAY LONDON COMMODITY MARKETS 129.15 128.68 113.75 Oato SE 942.75p SINGAPORE 902.30p Silver (spot fixing)

779.26

1037.8

831.8 816.4 706.3

103.28 104.15 105.45

1049.52 1044.82 586.65

299.9

**9499 50** 

\$498.50

\$498.50

GOFD (be. oruce)

Straits Times

SOUTH AFFICA

Golds Industrial

146

London

Frankfurt

SWITZERLAND

Swiss Bank.

New York futures (Feb)

· 785.06

551.0

249.9

\$507.50

\$508.50

\$508.50

\$510.79

Copper (Cash)

Oil (spot Arabian light)

Coffee (March)

£1059.50

\$29.57

**U.S. Treasury** 

Note Yields

Constant Maturities, 10 year

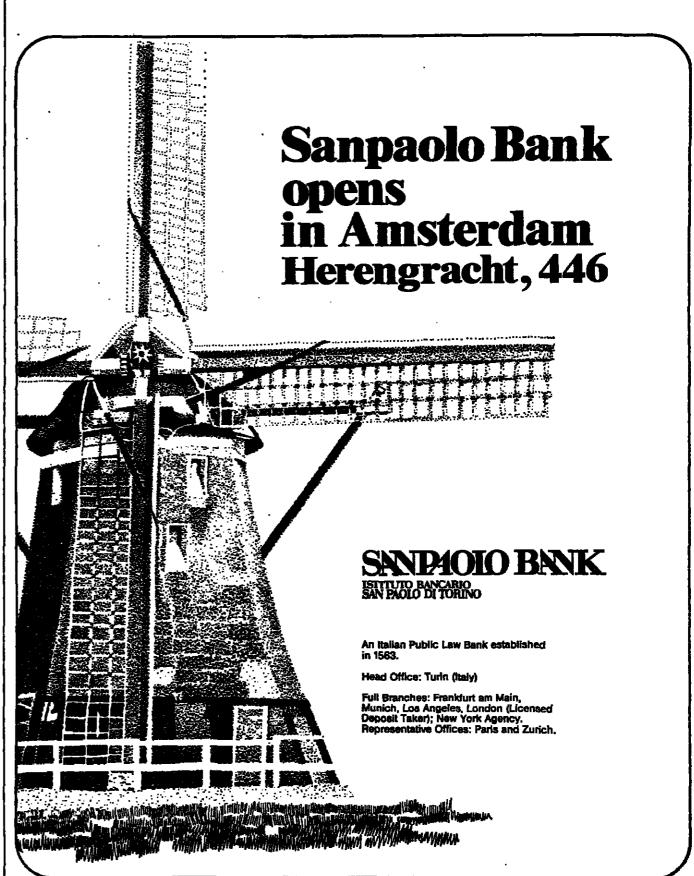
£1679

£1054

· £1677

KEY MARKET MONITORS

Frankfurt Commerzbank



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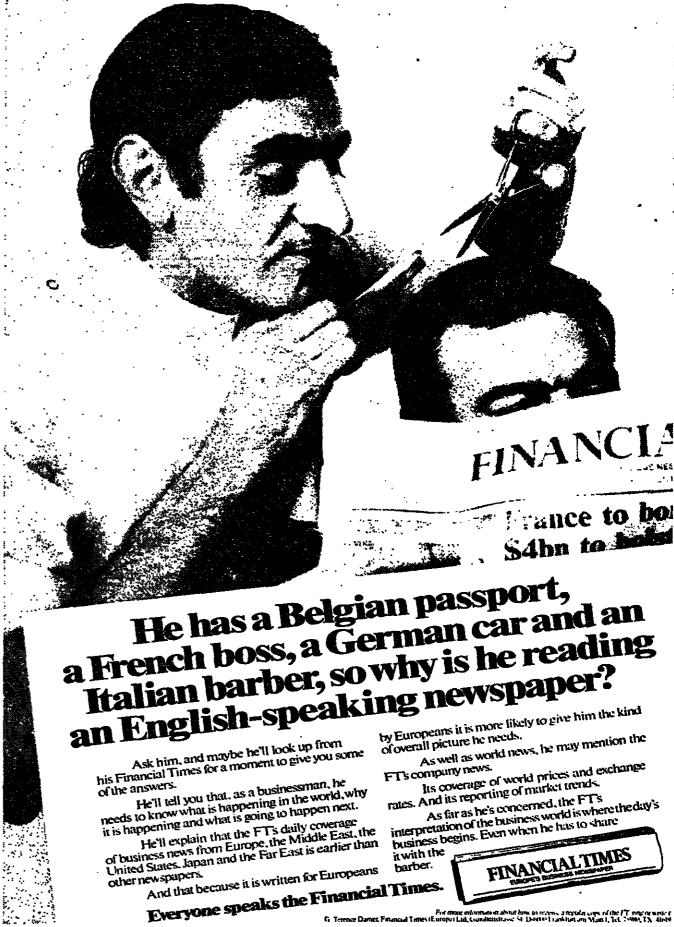
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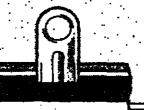
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#### WORLD STOCK MARKETS

			<del></del>	· · · · · · · · · · · · · · · · · · ·		
ÇANADA		1	DENMARK	HOLLAND (continued)	AUSTRALIA	JAPAN (continued)
(Clasing Prices) Stock	Feb 3	Varn.	Feb. 3 Price + or	Feb. 3 Price + or Frs. —	Price + o	
AMCA Inc.	23	- Ve	Aarhus Olie. 364,4 +0,4	Gist Brocades 135 +4,5	ANZ Group 3.62 - 0. Acrow Aust 1.25	Konishiroku. 590 4 Kubota 324
Abiebi	18% 18 15%	- 13/8	Andelsbanken 173 -0,6 Baitica Skand. 325 CopHandelsbank 194.6 +2,6	Heineken 110.5 - 3 Hoogovens 16.6 - 0.2 HunterDouglas 13.5 + 0.5	A.O.D 0.650. Ampol Pet 1.45 Assoc. Pulp Pap 1.85 Aust. Cons. ind 1.210.	Kumagia 580 - 3 Kyoto Geramic 4,300 - 60
Alcan Aluma	341/2 31	- lag	D. Sukkerfab 409,2 - 1,2 Danske Bank 198	Int Muller 21 +0.8	I Aust. Guarant 2.37 + 0.	Makino Milling 701
Ashestos Sk Mantreal	101/2 25	- 3/8	East Asiatic 91.2 + 1.2 Forende Brygg . 665 —7 Forende Damp 165 — 3.4	Nazden	Aust. Nat. Inds . 2.550. Aust. Paper 1.90 Bond Hidgs 1.050.	Maruda: 562 - 5
Bk Hous Scotle Basic Resources	324 2 45	1/4	GNT Hidg 175 +2 1.5.5.6 280 ;	Ned Mid Bank 1162	Boral 2,42 - 0, Bougamoite 2,27 - 0,	15 MEI 1,150 - 20
Bell Canada Bearbarder A	22% 13 18%	19 <sub>2</sub>	Jyske Bank 314	Oce Grinten . 189,3 +2,3 Ommeren(Van . 19,8 +0,4 Pakhoed 41,10,4	Brambles Inds 2.45 —0. Bridge Oil 2.60 — 0. BHP 7 —0.	. 10 M'bishi Bank 500 -10 M'bishi Coro 527 - 2
Bow Valley	43	7 74 - + 1	Provinsbanken 159.4 Smidth F.L 171 -2.6	Philips 55.2 +0.4 Run Scheide 12.1	BHP 7 -0. CRA 4 -0. CSR 295 -0.	M'bishi Estate 452 — I
Brinco	3.6 9%	- 0.1	Sophus Berend 595 Superfos 102	Rodamco 125.9 - 0,1 Rolinco 258.5 - 2	Carlton & Utd 2.38 -0. Castlemaine Tys 4.35 -0. Coles (G.J.) 2.55	.03 Mitsui Co 361 — 10 .08 Mitsui Est
CIL lac	24*4 8	_ 1 <sub>3</sub> - 4s	FRANCE	Rorento 182.5 - 0.5 Royal Dutch 93.4 + 1,2 Stavenburgs 71.8 - 0.2	Consolidated Pat 0.13 - 0.	.05 NGK insulators 480 .07 Nihon Cement 193 -5
Can KW Energy Can Packers	14% 51% 36%	- 48 + 1/2 - 1/4	Feb. 3 Price + or	Tokyo Pac Hg 286 ±1	Costain	Nippon Denso 1,160 Nippon Elect 902 22 25 Nippon Express., 178 8
Can Imp Benk	33	+ 13/4 1/4	Frs	Viking Re 105.1 - 0.9 Vmf Stork 65.8 + 0.8 VNU 66.2 - 0.9	Elders IXL 2.85 - 0. Energy Res 1.55 - 0.	05 Nippon Gakki 641 -1 05 Nippon Kokan 131 -7
Canadian Pacific Can. P. Est	41 20	17/2	Emprunt 4% 1975 2,227 — 25 Emprunt 7% 1975 9,469 — 19 CNE 3%	West Utr Bank 85.5 + 0.5	Gen. Prop. Trust 1.75 - 0. Griffin Goal 6.00 Hardis J.) 3.47 - 0.	Nippon Seiko 420 - 10
Caring O'Kla	56 131/6	+ 2 - 1/8	INC 406.2 + 0.2	ITALY +	Hartogen Energy 1.65 - 9. HeraldWry Times 2.20 - 0.	.05 Nippon Steel 145 —9 .02 Nippon Susan. 280 —3
Chieftain	24 524 17%	- Va - Va	Bouygues 735 —16 BSN Gervais 1,345 CIT Algatel 840 —10	Feb. 3 Price or Lire —	ICI Aust 1.55 +0. Jimbalana 160cfp 0.34 -0. Kia Ora Gold 0.25 -0.	02 Nippon Yusan 245 +3
Costan Resources	7.1	+ 0.1	Carretour 1,255 - 5   Club Mediter 506 -4	Banca Com'le 55,296 + 256 Bastogi IRBS 180 -1	Lend Lease 3.50 Leonard Oil 0 08	Nisshin Flour 3431
December	1.88 30 <sup>34</sup>	+ (j. 1 - 4	CFAO 449 -4 Cie Bancaire 294.7 -0.1 Cofimeg 133.5	Centrale 2.280 +35 Credito Varesino 3.699 Fiat 2.027 -23	MiM 4.10 -0. Mayne Nkiess 2.58 -0. Meekatharra 2.7 -0.	.02 Olympus. 1.060 -30
Dome Mines Dome Petroleum	251h 4.15	+ 0 1	Darty 720 -15	Finalder 51 1.4 Generali (Assiçi, 114,056 400	Myer Emp 1,150, Nat.Gomm. Bank 2,480.	14 Proneer 2.210 -140
Dara Foundates A Deser Stores	38 42 154a 224a	- 3/a - 7/a	Dumez 1,050 —14 Eaux Cie Gen 243.5 +3.4 Elf. Aquitaine 118.9 +1.8	Invest	News 2,20 - 0. Nicholas Kiwl 1.93 - 0. North Bkn Hill 2,75 - 0.	92 Renown 610 -1
Genter	50% 21%	+ 3/4	Gen. Occidental. 404 — 1.5 Imetal. 53.9 +0.7 Lafarge Coppee. 259	Olivetti 2,895 —17 Pirelli Co 2,490 —100	Oakbridge 1,30 -0, Otter Expl 1 +0.	05 Sanyo Elect 430 -5
Gisset Y knife	26V2 200	- 174	L'Oreal 1.085 +11	Pirell Spa 1,490 - 6 Snia Viscosa 795 - 15	Pancon	Sekisui Prefab 670 - 10 Seven-Eleven 6,130 - 60
Soft Canade	13% 1.84	:	Legrand 1,63015 Masons Phenix 3804.7 Metra	Toro Assic 11,551 +1 do. Pref 7,720 -80	Repce., 1.00	Sharp 111030 Shimadzu 490 +5
Hards Sid Can	15% 2012	- 14 - 14	Michelin S 730 +2 Mid: Gret 652 -10	NORWAY	Smith :H: 3.15 -0. Southland Min'g 0.26 Spargos Expl 0.51 -0.	suize.80 322 - 3
Hexison's Bay	20 47 844	- V8 - 6-1	Moet Hennessy . 832 +8 Moulines 67,2 +0,2 Nord Est 51,4 -0,4	Feb. 3 Price + or	Thos. Natwide ~ 1.65 -0.	15 Stanley 450 -2 17 S'tomo Elect 497 +1
larasco		+ 1/8	Pernod Ricard 405 -8 Perrier 234,4 +8	Bergens Bank. 116 -1	UMAL Cons 1.9 -0. Vamgas 7.0	I S'tomo Manne 220 —8
latel	1842 237a	+ 2/4	Petroles (Frq.) 137.8 +1.4 Peugeot-SA 134.2 -3.3 Poctain 96.5 ±4	Borregaard 107.5 +5 Christiana 128 +2	Western Mining., 4 -0. Westpac 2.530.	.58 Taisel Corp 226 -1 .07 Taisho pharm 621 -4
Mac. Bicedel Maries & Spencer	27	+ %	Fociain 96.5 ±4 Printemps Au 112 = 0.1 Radiotecn 357 + 11	Creditbank 138 +2.5 Elkem 54 +1 Norsk Data 182.57.5	Woodside Petrol 0.72 -0. Woolworths 1.70 Wormaid Intl 8.19 -0.	TDK
Massey Forg	4 9 291/2	- 0 05 - ½	Redoute 845 -5 Rousse! Uclaf 248	Norsk Hydro 272.5 Storebrand 155	Wer male tild 0125	Teikoku Oit 798 – 24 Tokio Manne 494 – 11
Minel	31 531/4	- 4	Schneider 97,5 - 0,3 Sefimeg 175.7 +1.2 Skis Rossignal 706 —9	SPAIN	HONG KONG	Tokyo Elect.Pw., 1,030 —10
Nat. See Prods A Noranda Mines	10% 23%	+ 44 - 44 - 44	Telemach Elect. 876 +5	Feb. 3 Price + or	Feb. 3 Price + a	Tokyo Gas 127 —1 Tokyo Sanyo 430 —1 Tokyo Style 830
Milita Telectors	8 92 145%	+ 374	Valeo 225 –2.5		Bank East Asia 27.2 -0.	2 Toppan Print 501 -4
Pacific Copper	1.14 82%	+ 0.06	GERMANY .	Bco Bilbao	Carnan Invest 0.87 Cheung Kong 7.90 0. China Light 13.7 +0.	Toray
Patino	20 22¥4	- Ve	Feb. 3 Price + or Dm	Bco Hispano 225 -5 Bco Santander 216 -4	Hang Lung Devel, 1.68 Hang Seng Bank 50,00	Topo Seikan 480 -2 Toyota Motor . 968 -12
Priver Corp Con	13% 8%	_ 3/g	AEG Telef 29,8 +0,2 Allianz Vers 478 +5	Bco Vizcaya 276 - 2 Dragados	HK Electric 4.90 -0. Hk kowloon Whf 2.97 .0. HK Land. 4.05 -0.	03 Wacoal 670
Ranger Oil Reed Stenbar A Rio Albero	73/2 1434 43/2	+ 44	BASF	Petroleos 46.3 1.3	HK Land. 4.05 - 0. HK Shanghai Bk. 8.3 - 0. Hk Telephone 29.7 - 0.	05 Yanahouci 1,260 — 10 3 Yamazaki 521
Repai Trustce A	25% 21	- VI - VI	Bayer Hypo 242 Bayer Verein 291,5 +3,5 BHF Bank 218		Hutchison Wpa. 11.7 -0. Jardine Math 13.8 -0.	1   Yanuda Fire 249 -5 2   Yokogawa Bdge, -420 -4
Sexptre Res	6 96%	- %s + 1/2	BMW 235.3 +5.3 Brown Bover 209.5	SWEDEN Fab. 3 Price + or	Orient O'seas 2.25 O'Seas Trust Bk. 4.15 ±0.	SINGAPORE
Studi Con A Steel of Con A	197/a 237/8	- <sup>2/</sup> 8 + <sup>5/</sup> 8	Commerzbank 127,2 +1.1 Conti Gummi 72,7 +2,1 Daimler Benz 395 +2.5	Kroner — AGA 513 +8	SHK Props 5.8 Swire Pac A 10.8 0,	Feb. 3 Price + or
Tech 8 Tesaco (Canada)	12 2744	.=	Degussa 240.5 + 2.5   Demag 124 — I	Affa Laval	Wheel'k Mard A. 3.35 -0.1 WheelockM'time 2.05 . World int, Hold's, 1.38 -0.1	64 Boustead Bhd 1.99 +0.03
Thomson News A Terunto Dom Benk	27Vz 42Va	- 76 + 14	D'sche Babcock 140 - 0,5 Deutsche Bank 262 + 1,5	Astra (Free) 1250 Astas Copco 121 -2 Boliden 377 +17 Cardo (Free) 630 -70		DBS 8.00 - 0.05
Transalte A Trans. Con. Pipe Walker (H) Res	2034 2534 2134	- 1/4 + 1/8 - 5/8	Oresdner Bank 137 -2 GHH 157.9 +0.1 Hochtref 475	Celluiosa	JAPAN	Genting 3.36 Haw Par 2.52 + 0.04
Westcoast Trans	14 45	- V4	l Hoechat 114 ± 1.2 .	Ericseon 337 -8	Feb 5 Price + or	inchcape Bhd 2.77 -0.05 Malay Banking 6.60 Malay Brew 4.70
			Hoesch	Fagersta 175 Fortia (Free) 366 +1	Yen — Alinomoto 853 —8	OCBC 9.15 +0.85
AUSTRIA Feb. 3	Price		Kali und Salz 158 — 0.5 Karstadt 200,8 + 2,8 Kau fhof 198,5 + 1,5	Mo och Dom 205 -2 Saab-Scania 255 +11	Alps Electro 1,730 -50 Amada 575 - 9	Straits St'mship. 1,85 Straits Trading 5.85 +0.05
Creditanstalt	208		KHD 201.5 Kloeckner 48.7 +0.2	Skandia 780 +5 Skan Enskilda 248 2	Asahi Chem	
Goesser	189 570	-3	Krupp 57 -1 Linde 316,8 +0,8	SKF 8 135 +1	Casio Comp 1,000 - 20	)
Landerbank Parimooser Steyr Daimler	259 153 ·	-2		Sven Handelsbn. 129 —3 Swedish Match 204 Volvo B (Free) 310	Chuga: Pham 1,110 -20	Rand —
Veitscher Mag	172	<u>-i</u> "	Mannesman 142.5 +2 MercedesHid 355 +2 Metal Igesell 236 Muench Ruech 794 +9	SWITZERLAND	Dai Nippon Ptg. 707 -5	Abercom 8.05 + 0.85
BELGIUM/LUXI	EMBOL	JRG	Muench Ruech 794 +9 Preussag 214 +3.5 Rhein West Elect 192.5 +1.2	Feb. 5 Price —	Essa 1,240 -40	Angio Am 24,5 +U.1
Feb. ā	Price	+ or	Rosenthal 270 +2	Fns.	Fanuc	Barclays Bank 15,1 Barlow Rand, 12,9 -0,5
ARBED	Frs.	- 16	Siemen 261.2 +3.9	Alusuisse, 585 —3 Bank Leu, 4,175 Brown Boveri 980 +10	Fujisawa 1,260 +20 Fujitsu 903 -14	
Bang Int A Lux	3,900 2,160	+ 10	Varta	Giba Geigy, 1,730 +10 do Part Certa; 1,415 +25 Credit Suisse 1,930 -35	Green Cross 1 520 - 50 Hasegawa 487	Currie Finance 3,4   De Beers 10 -0,4   Driefontein 47,75 -0,25
Coment BR	1,690 89	+10	V.E.W	Elektrowatt 2 780 + 10	Hitachi 762 -17	FS Geduld 71 +2
Delhaize EBES Electrobel	1,945 4,480	- 80	HOLLAND	Fischer (Geo: 505 +4 Genevoise 3,600 +50 Hoff-Roche PtCts 78,250 +750	[Honda 955 : -25	Highveild Steel 5,75 + 0,25 Nedbank 12 + 0,15
Fabrique Nat G.B. Inno	2,800 2,750	- 10 - 30	Feb. 3 Price + or	Hoff Roche 1:10 7,800 -50	Hoya	OK Bazaars 27.75 Protea Hidgs 2.9 +0.05 Rembrandt 18,25
GBL (Brux) Gevaert Hoboken	1,560	-35 -40 +35	Fis. —	Jeimol:	JACCS 1,080 20	Rennies
intercom Kredietbank	1,515 4,400	+55 5	Ahold 132.2 +0,2	Oer Buehrle 1,540 + 25		Sage Hidg
Pan Hidgs	7,500 4,625	+5	ABN 295.5 -1.5 AMEV 105.8 +0.1	Sandoz (B), 4,970 +35 Sandoz (Pt Cts) 720 +4	Kajima 330 Kao Soap 545 —3 Kashiyama 670 —5	TongaatHuletts 9,5 +0.1 Unisec 4,55 +0,05
Royale Beige Soc Gen. Banq Soc Gen Beige	6,400 2,500 1,296	+30	Bredero Cert 176 -3	Schindler Pt.Cts1 380 Swissair 765 +3	Juseo 556 +1 Kajima 330 Kao Soap 545 -3 Kashiyama 670 -5 Kirin 891 -2 Kokuyo 761 -1 Komatsu 515 -2	Financial Rand US\$0.75
Sofina	3,895 2,225	· 20	Buhrmann-Tet 35.8 + 0.5 i	Swiss Reinsce 7,200 -25 Swiss Volkabk 1,270 +30		(Discount of 191%)
UCB	2,750	~25 70	Elsevier NOU 196 +2 Ennia 130 Euro Comm Tst 68 +1	Winterthur 2,660 - 20	Individual exchanges and are	page are as quoted on the last traded prices. \$ Deslings ac Ex scrip issue, or Ex rights.
***************************************	~,V&U	+20		Zurich ins 17,325 +25	ta Ex all.	
	_					

## COULD YOU PERSUADE YOURSELF TO GIVE TO THE RSPCA?

#### NO

My money is needed for my family.

My money wouldn't make any difference. The RSPCA is aided by the State, isn't it?

Does the RSPCA spend the money effectively?

WhenImakeawill I'll probably include charities like the RSPCAanyway.

#### YES

Most families include a cat or a dog - they give affection, companionship too.

Even a small contribution can make a big difference.

No. Income is donations.

Donations go to support the practical work of the Society's 250 uniformed inspectors, 58 animal homes, 60 welfare centres, 50 clinics as well as active campaigning on a range of animal issues.

good in your lifetime.

If you make a deed of covenant now, tax legislation means that of every £1 you give £1.43 can actually be put to work. And you have the satisfaction of seeing it doing

If we've persuaded you, why not suggest your clients include the RSPCA in a will or deed of covenant. For more information, write to: The Executive Director, THE RSPCA, Causeway, Horsham, Sussex RH12 1HG.



#### LONDON

	Cosing	
S:cck	Dr. 08	
At wood	:4	
Anes Eec	327	
Barratt Dev	451	
Carless Care	175	- 15
Gold Mines Karpoon e		
10 a mr es n: ,000 e	739	+ 6
IC	715	- ~~
Mild Go'dsmiths	'نت	-14
		- 14
Stewar Nair .	. 78	- 3
Tute and Ly'e Western Mining	233	÷:3
Western Mining		

**NEW HIGHS AND LOWS FOR 1982/3** 

NEW LOWS (9) Utd Wire INDUSTRIALS (2)
Assoc Heat Services Divor U. J.1 A.
Antofagasta H. TRUSTS (2) Fin
Goldburgh Secs Divor GAS (1)
OVERSEAS TRADERS (1)
Nexo Involts

OPTIONS Last Deal-Last For Declara- Settleings ings tion ment
Jan 24 Feb 4 May 5 May 16
Feb 7 Feb 18 May 19 May 31
Feb 28 Mar 11 June 2 June 13

For rate indications see end of

Stocks to attract money for the call included Lasmo, BATS, Carless Capel, Hampton Trust, Holt Lloyd, Polly Peck, Strata, May and Hassell, Samantha, Dares Eestates, G. M. Firth Reep Investment, Britoil, Muntons, Cornell, Associated Newspapers, London Investment Trust, Amber Day, Suter. Fidelity, BSR and Babcock International. Polly Peck were dealt in for the put, while double options were arranged in

Combined Technology.

## FT-ACTUARIES SHARE INDICES

and the Faculty of Actuaries

ì			_												<u> </u>
		EQUITY	<b>GROU</b>	PS		The	ar F	eb 3	1983	}	Wed Feb 2	Tues Feb	Mos Jan 31	Fri Jan 28	Yeşr ağa Lapprox.
	Fi	& SUB-Sigures in parenthes stocks pe	es show	number	of ind		nge Y	Est. armings (seld % (Max.)	Gross Dw. Vield % (ACT at 30%)	Est. P E Ratio (Net)	Index No.	leder No.	ladex No.	lodes leo.	index Nc.
ł	2							+ 14 4.82	3.95 4.41	13.67	425.73 425.06	425.27		412.13 412.13	37932 33770
	3	Contracting Con	struction	(30)	758	22 +1		11.62	4.35	10.25	747 41	748 94	73842	73963	39542
'n	4				1650	.16 +1		7 52	2.16	17.06	1578.08	1500,53			1205 11
٠l	5	Enqueering Cor	ractors.	(10),	404	.65  +2		17.32	7.39	7.07	394.70	391.02	\$13.39	392.57 197.81	520 AF
= }	6							11 08 12.96	5.67 742	11.24	347名	200.72 169.19	16744	164 20	141.75
1	8					# #5		0.81	7.23	7.20	82.5%	77.85	77.72	78.25	100.72
1	10		Li stan ak	(17)	399			8.77	5.34	14 18	321 24	387.28	388.35	35.4	487
1	21							9.94	4.22	1221	424.52	411.57	410.00	430.23	29499
ł	22							10 77	4.56	11.35	425 77	42 II	454.74	453.23	20145
- 1	25	Food Manufacto	ring (21)		344	30 +0	8 :	13.27	5.36	4.43	347.66	343.52	3252	30.38	252.74
١	26							7.45	2.83	14.87	850.11	\$50.61	849 97	651.25	59945
ا :	27							5.46	2.52	21.75	707 46	705.7%	723	723 25	31244
١,	29				494			8.32	4.87	15.59	763.25	484.52 786.17	481.12	490.90 704.33	465.60 498.22
I	32							8.74	4.58	15.25 1.29	161.27	15764	157.65	154.63	343.75
-	33							14.17 8.25	6.81 3.75	16.06	361-46	352.99	347 97	344	27070
-1	34 35	Stores (47) Textiles (23)						12.69	5.71	4.50	183.25	181.86	17179	17713	3544
ı	36	Tobaccos (3)						16.99	537	6.50	512.85	503.93	207.00	505 75	21984
1	39	Other Consumer						2.32	3.83	_	362.24	361.21	368 90	358.43	220,27
١	41	OTHER GROUP				76 +1	.0   1	11.00	5.28	10.93	307.65	307.37	395.45	20472	253.57
1	42	Chemicals (35)	.,		410.		.5 [ ]	12 00	5.99	9.98	494.68	403.00	406.86	477.00	345.07
-1	44	Office Equipment	t (5)		99	.87. <u>-</u> 0.		1109	5.73	11,12	10011	200.79	100.51	. 67.79	131.17
1	45	Shipping and Tra						6.12	7.92	7.59	529.79	532.84	533.51	255	S\$4.52
1	46	Miscellaneous (4						9.04	4.13	13 47	437 38	437.09	439 58	42549	329.00
1	49	INDUSTRIAL C			_			9.81	4.26	12.47	495 16	443 39	400.52	400.82	77485
1	<u>51</u>	Osts (14)			707			17 88	8.17	6.59	784.92	704,85	712.79	714 93	(45.09
- 1	59				. 435			10.92	481	11 10	429 92	428.04	124.45	423.66	34.00
1	61	FINANCIAL CR							5.89		294.76	293.29	293.89	289.84	254.72 254.72
ı	62	Banks(6)						12,00	7.65	3.41	施力	306.24	74.63	311 %	232 4
1	63	Discount Houses						- 1	8.96 5.15	_	27L24 362.24	277.24	2/5 71	243.73	252.6
ı	65 66	Insurance (Life)						- 1	6.89	_	205.03	357.44 263.67	206.80	28.7	1383
1	67	Insurance Comp						<u></u>	481	32.29	542.54	547.42	541.10	23.41	434.9
1	88	Merchant Banks							5.16		144.50	165.51	1447	143.66	15458
1	69	Property (54)						5.79	4.01	22.82	64.8	434.03	43.57	424.04	49714
1	70	Other Financial (	141	····				2.69	5.35	9.35	215.71	Z14 19	Z10 65	201.E	対数な
ı	71	Investment Trust	s (109)		397.	09 +0.	4		4.23	-	395.54	317.49	394.55	395.07	327.00
١	81	Mining Finance (	41		274.		6	7.48	5.18	17.89	272.65	274.88	273.45	243.21	2417.71
1	91	Overseas Traders				55 +1.	<u>3   1</u>	1 28	8 17	11,71	64.85	425 20	432.52	425.52	435.24
ı	99	ALL-SHARE IN	DEX (750	)	403.	02 +1	4	- 1	4.99	7	397.61	3%.17	39542	315.44	328.72
		FI	XED	INTE	REST		-			SE SRO	YIELDS		Thur Feb	Wed Feb 2	(approx.) age: Year
ı	_		T		1			_	Bellich	<u> Carerana</u>	-	$\neg \vdash$	$\neg \neg$		
1		PRICE	Thur	Day's	Wed	म्य व्यक्	ed ad	11	Line		 		934	925	12 b3
ł		INDICES	Feb 3	Champe	Feb 2	mday	to qzi	, , =			5 years		19 72	10.87	23.53
1	_		<u> </u>				- U- U-4	<u>"</u> ] }	l"	2	5 years		12.00	וענו	13.35
ı		Sritish Government				T		4	Медин		5 wars		1165	11.77	25.27
i	1	5 years	116 61	+0.27	226.30	}	29	.   5	Caugans	3	5 years		11.55	12.65	15 10
. 1						- 1		.   0	j	2	5 years		11.45	22.70	34.95
1	2	5-15 years	124.60	+0.28	123.51	- 1	1.6	- 1 : 1	High		5 years		116	11.95	15.61
:1	3	Over 15 years	130.61	+1.21	129.65	- 1	9.1	4   8	Coupons		5 years		12.63	12.19	15.24
ı	4	Irredeemables	135.98	+143	134.06	_ 1	9.0		) <sub></sub>		5 years		1162	고개 고개	12 W
ij	5	All Stocks	123.83	+0.80	122.85	_ f	10	. [20]							
ļ						1	~	_ 177	Beks &		5 years		12.74	12.第	16.29
ł	6	Debertures and Leans	99.23	+0.38	98.86		0.6	디냂			5 years		12.65	12.88	14.21 14.40
ì					1	1		177	1	- 2	5 years	····· - }	<u> </u>		79.24

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, Loodon, EC4P 48Y, price 15p, by post 28p.

## RISES AND FALLS

	Falls	Same
90	_	7
27		39
447	129	751
213	54	247
	29	54
5	_	17
51	65	34
63	AR	43
	90 37, 447 213 27 5	Rises Fells 90 — 37, 1 447 129 213 54 27 29 5 — 51 65

FINANCIA	L T	1ME	<b>S</b> S	TOC	K IN	DIC	ES
	Feb.	Feb. 2	Feb.	Jan. 51	 Jan. 28	Jan. 27	year ago
Government Secs	77.91	77,18	77.23	77.02	77.57	77.16	64.95
Fixed Interest	79.70	79.22	79.03	79,07	79,71	79.63	64.97
industrial Ord	646.B	632,2	628,4	622.7	620.0	611,6	574.9
Gold Mines	676,9	675,3	699,0	677,0	649,2	639,2	292.6
Ord. Div.,Yleid	4.78	4,84	4,85	4,88	4,86	4.91	5,33
Earnings, Yld. Z'[full)	10.14	10.40	10,45	18,47	10,44	10,55	9.57
P.E Ratio (net) (*)	11,84	11,54	11,51	11,46	11.50	11,38	13.25
Total bergains	21,853	25,064	26,616	25,280	22,052	22,895	19,555
Equity turnover £m.	_					239.42	
Equity bargains	_	28,843	25,059	27,217	24,868	20,265	16,619
Shares traded (ml)	_	201,6	196.1	164,5	199.1	166,5	115,6

HIGH	s ani	LOY	VS		S.E. AC	רועוד:	TY .
1	198	32:3	Since Co	mpilat'n		Feb.	Feb.
,	High	Low	· High	Low		<u>*</u>	<u> </u>
Goyt. Secs		61.89	127_4 (9/1/35)	49.18	Daily Gift Edged Bargains	150,9	169,1
Fixed Int	87.02	62.79	150.4	19/1/19)	Equities Bargains	154.5 602.2	162.4 616.0
Ind. Ord			645 0		5-day!Avrge Gilt-Edged		160.0

#### NEW YORK AND CANADA

	YOF	. , ok	Ì	nd	ic	ës	<i>:</i>
- 47	IVI	FLZ-M	W JUNE	5		·	
						T -	1982

ŧ			Teb	Feb	Feb	1 Jan	سد ا	. } <u>3</u> #	. L				
ĺ			3	2	7	31	28			High	Law	High	Law
H	Indust	mais	1854.45	1852.54	1059.7	1075.	7 1064	75 1 <del>0</del> 63		092,35 10/1-10	776.92 (12/8/83	1092.35  14/1/ER	41.22 @7/23
	Trans	gort	474.67	451.88	46 5.81	463.5	460.	37 <b>459</b>		71.81 141 <b>43</b>	292.12  12-642		12.23
	Unita	185	124.45	124.4	123.94	124.4	123.1	123.		25.78 8:143	103.22 (25:7:12)		18.05 (2644)
	Tradin 1000		7821	7722	62.81	6714	<b>554</b>	9   881	2		•		
[						Jan 28	٠,	an 14	7	Jan 7	1 (	Year Ago A	(pyrod
1	led div 1	riold 9	b		_	5.05	_	5.01	$\top$	5.63	$\top$	6.35	_
1	STAND	AD A	NO POOR	<u> </u>									
1			Feb	feb	Feb		.ba	Jan		1952-	3	Since Co	mpilat's
1			3	2	1	31	28	27	H <sub>1</sub>	•	Low	High	Law
١	Indus	trials	162.3	160.99	160.71	163.52	162.63	162.27	184 		14.0% 12/1/12)	164.73  11/1:83	2.52 (301:22)
	Сопр	oute	144.27	143.23	142.95	145.3	144.51	144.27	146 (HJ)		02.42 2/6/8)	148.78 (16:1/83)	4.4 (1/6/83
ı						Feb 2	Ţ	en 26	1	19 مط	Ţ	ear App(A	
1						4.45		4.51	Т	4.35	$\neg$	5.54	
Ш						11.18		1.05		11.35	- 1	7.86	
i			Yield			10.83	<u>;</u>	0.87	<u> </u>	10,68	ᆜ_	74.15	
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U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

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HARRETS

## THE EUROMARKETS IN 1983 **LONDON 8 & 9 MARCH, 1983**

The 1983 Euromarkets conference will cover the major immediate issues including debt re-scheduling and will look particularly at progress in this vital winter period.

Speakers include:

Mr. Geoffrey Bell Dr. Irving S. Friedman M. John Forsyth

Dr. Michael Von Clemm Mr. Norman Robertson Mr. Thomas McGuire

Contact the

Financial Times Conference Organisation on Telephone 01-621 1355 or Telex London 27347 to obtain details

#### **COMMODITIES AND AGRICULTURE**

## Zinc values fall as European prices drop

BY JOHN EDWARDS, COMMODITIES EDITOR

IN A surprise move, three zinc £462 a tonne earlier this week IN A surprise move, three zinc \$462 a tonne earlier this week producers have decided to cut still meant a fall in dollar terms their posted price in Europe to around \$660 a tonne—against from \$800 to \$750 a tonne. Going the official producer price of against the recent surge in other \$800 which for January was metal markets, Noranda Mines of Canada led the downward the formove in zinc to \$750 on Wednesday night and was quickly followed by A. M. and S. Europe, which runs the Avonmouth was felt that the gap between smelter in Britain, and then by the two prices had become too ducers have decided to bring the producers.

many.

The news brought an immediate fall in zinc values on the London Metal Exchange. The cash zinc price closed £10 lower at £443.5 a tonne, after losing £9 the previous day.

The main reason given for the

Ane main reason given for the decision to cut the European of the past few years—a soberzinc producer prices, at a time ing thought when viewing the when other metal markets are gooming, is that the strength of the dollar against sterling has speculative buying.

The main reason given for the very depressed levels of the past few years—a soberzing price rises for other metals, buoyed up primarily by the dollar gainst sterling has speculative buying.

Zinc's sister metal, lead, also remains depressed by low consecutive against the LME sterling prices than before made the dollar price charged by producers even more uncompetitive against the LME stering prices than before.

The rise in the LME cash price to a 13-month peak of a tonne.

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Advance in tin prices

BY OUR COMMODITIES EDITOR TIN PRICES advanced strongly on the London Metal Exchange yesterday, following sustained support buying by the buffer stock of the International Tin Council. The standard grade cash price rose by £138 to £8,428.5 a tourse.

This suggests that the buffer stock has achieved its objective grade cash conner closed £5.5 up.

the suggests may the puner stock has achieved its objective of bringing London values into line with the Penang market where the straits the price remains at the Th Agreement's "floor" level of M\$29.15 a killed of the price of M\$29.15 a killed of the punicipal The buffer stock is pledged to stop prices in Malaysia going below the "floor" level. However, the fall in the value of sterling against the Malaysian

grade cash copper closed £5.5 up at £1,059.5 a tonne, with heavy trade selling offsetting strong speculative buying.

Trading in the aluminium market was reported to be very active, with the cash price clos-ing £10.5 higher at £768.5 a tonne making up some of Wednesday's heavy losses.

Feb. 2 + or Month 1983 - ago

#### 50,000 tonne potato sale talks

THE POTATO Marketing Board selling 50,000 tonnes of potatoes to frozen chip processors. The potatoes, from PMB contracted quantities, will be turned into frozen chips later this year. The potatoes are likely to be processed in addition to processors' normal requirements, and will not interfere with purchasing arrangements for the rest of

large for comfort. So the producers have decided to bring their official price more into line with reality.

Obviously influencing the decision is the fact that there has not yet been any sign of a recovery in demand for zinc from the very depressed levels of the past few years—a sober-• THE NFU has welcomed the Government's announcement of review for compensating farmers whose property is damaged by coal-mining subsidence.

• TOTAL world production of oilseeds for 1982-83 is estimated at 185m tonnes, up 7.5 per cent from the previous season. Mr Giampiero Schiratti, head of the European Commission's oilseeds division, said demand is up 3.2 per cent from last season at around 177m tonnes. ● THE Soviet Union has dis-

covered major phosphor deposits in the Central Asian republic of Uzbekistan and plans to build a fertiliser plant there to exploit them. Reserves are estimated at 10bn tonnes. ● WEST GERMAN sugar production totalled 3.29m tonnes (white sugar equivalent) in 1982-83, compared with 3.39m tonnes the previous season.

SWISS chocolate makers reported a 1.5 per cent drop in sales volume in 1982 to 76,605 tonnes. However, sales rose in value to SwFr 86L1m (£281.4m) Outlook for 1983 depends on commodity prices and consumer trends, said the industry's association

● AFGHANISTAN is to import

an "enormous amount" of Indian tea to meet shortages.

## Solutions to the problems that went against the grain

Farmer's viewpoint: By John Cherrington

UNTIL ABOUT 10 years ago one could drive from Salisbury Plain to Lands End and see scarcely any field of grain. The any sense at all I would turn ping.
The high rainfall produced the farm back to cows.

I am no longer involved in

scarcely any field of grain. The land in many cases was too steep. Where that wasn't the problem, it was to humid and undrained to stand such crop-ning.

disease and high humidity, a drought and disease. The tech-it was then typical of the area, nique is to plant both barley with many small fields with and wheat as early as possible high hedges and springs showing would be impossible and that if I had autumn gales can damage it by the land has now been drained. autumn gales can damage it by The land has now been drained, bringing spray drifting in from the hedges trimmed and in

The high rainfall produced the farm back to cows.

I am no longer involved in that particular farm, but it is could be and sheep. There were odd areas of arable land, the scanes of arable and subtraction of the family and the scanes of arable and subtraction of the family and the scanes of arable and subtraction of the family and the scanes of arable and subtraction what it is that particular farm, but it is that particular farm, but it is the family and the scanes of arable and the change over the years has been been stounding—to those like my-self with preconceived ideas of those of thanks to the mild winter. A roon will be the part in this development. Even if their land was suitable the units have been so shall to make the change to she to take part in this development. Even if their land was suitable the units have been so should graze them off.

I ampedia farm in South Devon 20 years ago, right on the coast and of well drained land. We grew barley and grazed sheep, but the results were never as good as they were in the most exposed thanks to the mild winter. A word with the yields, were very lush indeed, thanks to the mild winter. A word will that it could benefit British farmers lines easily in the family and the change were were years ago I would and remains been with exposing the surplus grain so the took and it or what I is the family and the change were there live stook was predominant.

All the arable land, the change in the family and the change over the years has been the stounding—to those like my-self with preconceived ideas of these are still too small for what I hat it could benefit British farmers lines easily in the fields, were very lush indeed, thanks to the mild winter. A word will the provide arming but there is nothlard arming but there is nothlard arming but there is suitable the units have been so take part in the family but there is moving but there is a still too small for wha

This illustrates all too well the division between the arable and livestock interests in farming today. It underlines the reason for the proposition that there should be some way of subsidising the surplus grain so the sea.

some cases removed. The fields subsidising the surplus grain so
The crops I saw there last are still too small for what I that it could benefit British

#### Net income for U.S. farmers likely to be lower than expected this year mortgage rates and lower incent in 1982, due to lower

WASHINGTON-Net income for U.S. farmers this year for U.S. farmers this year is likely to range between \$16-\$20bn (£10.3-£12.9bn) after adjusting for a reduction in stocks. This is down from the \$20.4bn estimated for 1982, says the U.S. Agriculture Department.

However, net cash farm income is expected to range from \$30-\$34bo, little changed from the past two years. These figures emerge in the department's summary of the agriculture output report due for release in about a fortnight.

The recent proposals for a payment-in-kind (Pik) pro-gramme to reduce acreage has brightened prospects for

months, and farm production expenses could actually fall for the first time since 1953.

The Pik programme aims to balance supply and demand of wheat, corn, grain sorghum, upland cotton and rice at higher prices and to improve the farm economy next year and thereafter. But crop supplies this year will remain large, with prices

relatively low.

The department expects fertiliser consumption to fall again in 1982-83. It fell to a depressed 21.5m short tons in 1981-82 and is expected to fall by a further 7-12 per cent this year because of Pik and other acreage reduction

The world economy will continue to recover this year, says the summary. But U.S. exports will probably not benefit much because personal consumption growth is unemployment is likely to remain high; and foreign exchange constraints are ex-pected to force governments to cut back food imports.

• The U.S. share of world grain stocks is expected to continue its rapid growth and will exceed 50 per cent in the current crop year. President Reagan said in his annual economic report to Congress. The report said U.S. agri-cultural exports fell 11 per

prices and reduced corn and sorghum shipments. Weak demand for agricultural products stemmed from the recession, the dollar's strength and higher world stocks. U.S. income per farm family

pert said. Relatively tight meat supplies and low feed prices in 1982 contributed to larger profit margins for most livestock producers. But many crop farmers were hard hit by lower prices and increased production costs.

Close High 73,50 73,70 74,20 75,10 75,60 76,50 76,65 77,85 78,00 78,50 79,70 80,60 80,30 80,95 81,40 82,15 82,50 83,30

Close High 65.3° 65.8° 66.84 67.33 67.92 68.44 68.85 67.18 67.28 67.75 68.85 62.15 69.50 70.00

GOLD 100 tray oz, \$/tray az

flation contributed to a decline last year in farmland values, The European Community should increase wheat and

flour exports rebates and grant other credits im-mediately in the face of aggressive U.S. attacks on its farm policy, said Mr Brune Catton, director-general of the French Union of Agricultural

He said the Community grain market was now depressed after being boosted traditional markets

## PRICE CHANGES =

130.25 +5 ... 1314.00 +0.05.2360.80 

‡ Unquoted. w March. z Feb-March. † Per 16-lb fleak. \* Ghene cocce. n Nominal.

LONDON OIL SPOT PRICES

Latest 

GAS OIL FUTURES Trading was lackfustre as the merket nervously looked for a leed from the crude market. Prices began the day asselfer after the U.S. stock figures and traded in a nerrow range throughout, reports Premier Man.

Seeds Copra Philip ... 5305z Soyabean (U.S.) \$244

Month \$ U.S. per torane

\$44,78

\$1.75

\$26,98.41,59

\$251,00

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\$24,0 over: 2,305 (3,569)

#### **GOLD MARKETS**

Gold rose \$3 to \$502-503 on the London bullion market, after opening very firm at \$506; 507; The metal was fixed at \$506.00 in the morning, and \$503.50 in the afternoon. It rose to a peak of \$508-509 and touched a low of \$508-509 and touched a low of \$508-509 and touched a low of \$501.502.

Month Yest'rday's or Business Done 

Gold Buillion (fine ounce) (£3391; 249) (King 3ov 5119-1201; (£78-79) (£1738-17514) (Victoria 8ov 5119-1201; (£78-79) (£78-79) (£981; 597-14) (£56 3714) (£56 3714) (£50 2504-1859); (£7712-78) (£2024-1859); (£7712-78) (£2024-1859); (£7712-78) (£2024-1859); (£7712-78) (£2024-1859); (£7712-78) (£2024-1859); (£7712-78) (£2024-1859); (£7712-78) (£2024-1859); (£7712-78) (£2024-1859); (£7912-78) (£2024-1859); (

#### BRITISH COMMODITY MARKETS

BASE-MEIAL S

BASE-METAL PRICES were mixed on the London Metel Exchange. COPPER initially moved up to £1105, boosted by the rise in gold, but encountered heavy trade selling which pared the price to £1090 at the close of the late kerb. Heavy buying by the buffer stock manager boosted TIN to £8425, after £8440. ZIMC was unsattled by news of producer price cuts by Noranda, AM & S and MG with forward metal dipping to £857, before closing at £456.5, Another day of heavy turnowers and active trading in ALUMINIUM saw the latter finally quoted at £785.5, efter an Initial £807.

8 months 1056 +17.5 Cathodes Cash...... 1042.5.3+17.5 1036.5.7 +8.5 8 months 1072.5.8 +17.5 1056.7 +7.75 Settlem't 1048 +17.5 - ...... 174.74 ......

TIN

Zino—Morning: Cash £450.50. 51. three months £467. 58, 67, 96.50. Kerb: Three months £465. 65, 64. Afternoon: Three months £462. 61, 61.50. 62, 61.50. 61, 61.50, 60. 59. Kerb: Three months £468.50, 58. 67. 58. Turnover: 10175 tonnes.

Alumin m a.m. official — Unofficial — t

Spot ...... 754.5 + 16.8 768.9 + 18.5 783.4 + 11

NICKEL NICKEL Spot ...... 2615.20 +52.5 2615.25 months 2695.8 +55.5 2690.5 \*\*

\* Cents per pound. : MS per t On previous modificial close.

## Nickel—Morning: Three months £2700, 2697, 95, 98, 95, Kerb: Three months £2695, Afternoon: Three months £2695, 2700, 2695, 96, 95, Kerb: Three months £2690, 95, 90, 95, Turnover: £322 tonnes.

SILVER LME—Turmover: 118 (131) fors of 10,000 oz. Morning: three months 968.0, 70.0, 88.0, 67.0, 56.0, 65.8, 65.0, 58.2. Kerb: three months 965.0, 65.5, 65.0, Aframoon: three months 968.0, 65.0, 67.0, Kerb: three months 966.0, 65.0, 64.0, 61.0, 60.0, 61.0, 64.0, 65.0, 55.0.

higher for spot delivery in the London bullion market yesterday at 942.75p. U.S. equivalents of the fixing levels were: spot 514.36, up 64.5r; six-month \$15.002, up 63.3c; and 12-month \$15.763, up 67.3c. The metal opened at 945-947p (\$14.40-14.44) and closed at 941-943p (\$14.33-14.37).

COFFEE

In a featureless market trade buying extended early gains in light volume, reports Drexal Burnham Lembert. Prices improved further before commission house selling prompted a retracement to the lows.

March ... 1679-80 +2.5 1699-77
May. ... 1608-09 +4.0 1624-07
July ... 1536-34 +7.0 1540-80
Sept. 1462-66 +3.5 1472-60
Nov. 1413-15 +10.0 1416-10
January 1377-84 +7.5 1376-72
March 1342-50 +11.0 1342-42
Sales: 2,057 (3,287) lots of 5 tonnes.
ICO indicator price for Feb 2 (U.S. cents per pound): Comp daily 1979
122.38 (123-16): 15-day sverage 125.68
(125-98) COCOA

Yesterday's
Close + or Business
Done

Sales: 5.521 (5,319) lots of 10 tonnes. tCCO—Daily price for Feb 3: 85.86 (85.88). Indicator price for Feb 4: 85.56 (84.89).

**GRAINS** 

The market opened about unchanged.
Sentiment was nervous during morning session but later strong shipper buying firmed the market in good volume.
New crops continued very steady, Acil reports.
LOMDON GRAINS—Wheet: U.S. Dark Northern Spring No. 1 14 per cent Feb 135, March 135-50, April-May 134.76 transhipment East Coast. English feed fob Feb 127 seller. March 128-50, April-June 131 paid East Coest. Meize: June 131 paid East Coast Maize:
French Feb 147 transhipment East
Coast. South African white/yellow
March-April 97.50 saller. Barley:
English feed tob Feb 121.75, March 122,
April-June 122 East Coast sellers. Rost unquoted.

HGCA—Locational ax-farm spot prices. Other milling wheat: S East 126.70. Feed barley: S East 116.00, S West 115.40, W Midlands 116.40, N West 114.20. The UK monetary conticient for the week beginning Monday February 7 is expected to remain unchanged.

WHEAT BARLEY Yesterd'ys +o Yast'rd'ys' + or close — close — Mar ... 127.70 +0.35 117.05 May ... 129.70 +0.59 118.60 July ... 131.35 +0.76 Sep... 115.50 +0.15 109.35 Nov ... 118.30 +0.15 112.55 Jan 121.75 +0.25 115.95 8usiness done—Wheat: Mar 127.85-8.95, May 129.80-8.75, July 131.60-0.50, Sept 115 50-5.50, Nov 118.30-8.15, Jan 121.70-1.50. Sales: 484 lots of 100 tonnes. Barley: Mar 117.00-6.40, May 118.70-8.05. Sopt 109.25 only, Nov 112.40 only, Jan uniraded. Sales: 179 lots of 100 tonnes.

**POTATOES** 

The London physical market opened steader, attracted little interest at the higher levels and closed slightly easier. Lewis and Peat reported a February tob pince for No 1 RSS in Kuala Lumpur of 195.5 (192.0) cents a kg and SMR 20 177.0 (173.5).

RUBBER

COPPER S.m. + or p.m. + or p.m. + or troy oz. price + or p.m. + or

SOYABEAN MEAL The market opened unchanged and drifted on liquidation orders in nearby months. reports T. G. Roddick. Prices beld steady until renewed selling late in the day pressured values.

Yesterdy's + or Business Close Done

per tonne 147.89 48.5 - 2,39 148.50 148.90 48.2 - 0,85 149.50 48.10 149.00 49.4 - 0,76 150.80 49.80 t 150.90 51.0 - 0,56 150.80 er. 152.50 55.0 - 0,65 153.56 52.80 159.00 58.5 - 1,00 168.70 56.60 159.50 61.5 - 1,00 

SUGAR LONDON DAILY SUGAR—Raw suger £107.00 (£106.00) a tonne cil Feb-March shipment. White suger £135.00 (same). Early gains were not held as light trade selling amerged. Honduras postponed yesterday's selling tender until next week, reports C. Czarnikow.

E per tonne

March 12.30-12.48 111.80-12.08 112.50-11.00

May ... 118.35-18.50 118.10-18.25-116.75-15.50

Aug. ... 124.55-24.45-124.70-24.98, 195.00-24.25

Oct. ... 126.45-52.4.45-124.70-24.98, 195.00-24.25

Oct. ... 126.45-57.75-135-50-57.75

March 145.00-46.00145.10-45.60, 144.00

May... 149.08-51.05-147.50-54.00

— Sales: 2.177 13.414| lots of 50 tonnes. fate and Lyle delivery price for granulated bears white sugar was £405.90 (same) a tonne for home trede and £212-50 (£211.50) lor export. International Sugar Agreement (U.S. cants per pound) fob and stewed Caribbean ports. Prices for Feb 2: Daily price 6.18 (6.08): 15-day delivery (6.04).

The market continued nervous. Opening higher, it slipped back to close with small gains in quiet trade, reports Coley and Harper. haddock £5.40-6.20, medium £4.60-5.20, small £2.60-3.50; large plaice £3.50-4.50, medium £3.50-4.50, best small £3.50-4.50, reds £3.00-3.00; reds £3.00-3.00; solds £2.00-3.00; reds £3.00-3.00; solds £2.00-3.00; reds £3.00-3.00; solds £2.00-3.00; reds £3.00-3.00; solds £3.00 to \$5.7.Vest £3.00; best £3.00; haddock £5.40-6.20, medium £4.60-5.20,

37.0 to 45.5.

MEAT COMMISSION—Average fattorock prices at representative markets.

GB—Cartle 94.51p per kg lw (+1.80).

GB—Sheep 185.25p per kg est dcw (+20.92). GB—Pigs 65.40p per kg lw

March 1815 1835

GB—Gardle Sea.51p per kg lw (+20.92). GB—Pigs 65.40p per kg lw (+20.92). COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported produce: Satsumas—Spania: 10 kg 2.80-3.60. Minsneolas—Jaffa: 4.80 6.30 according to size. Oranges—Spania: Navels 3.80-5.60. Jaffa: Shemouti 40 5.10, 50 5.40, 60 5.75, 75 5.85, 88 5.40, 105 5.10, 123 4.90, 144 60. Navels 88 5.95. 105 5.60. 123 5.40, 144 5.20, 168 5.00: Merocann Navels 3.40-5.00. Sevilles—Spania: to 15 5.40, 60 4.00: Cyprus: 9 kg 2.80-4.00; ged and least tray 5 kg 25/50 1.80-2.40. In perby Jaffa: 40 5.40, 48 5 50, 56 4.70, 64 4.00. Frances in tray 5 kg 25/50 1.80-2.40. Grapher Miller—Cyprus: 27/56 2.60-4.00; Jaffa: 40 5.40, 48 5 50, 56 4.70, 64 4.00. Frances in tray 5 kg 25/50 1.80-2.40. Grapher French: Golden Delicious 8 kg 50-5.80. Starkerimson 18 kg 4.00-5.50, Granny Smith 18 kg 5.50-7.50; U.S.: Red Delicious 9.50-12.50; Canadien: 10.50-12.50; Polish: Spartan 13 kg, per pound 0.12-0.14. Pears—Cape: Williams Bon Chretien 33 tb 9.00-9.50; Dutch: Comice 12 kg 5.80; 13-93-8.80 13-93-8.20; 12 kg 5.80; 12

INDICES FINANCIAL TIMES Feb. 2 Feb. 1 M'th ago Ya'r ago

254,89 255,73 240,16 249,42 (Base: July 1 1952 = 100) REUTERS Feb. 3 Feb. 2 Mith ago Y'ar ago 1671.0 | 1666.3 | 1583.0 | 1627.3 (Base: September 18 1931 = 100) MOODY'S Fab. 2 Feb, I M'th ago Y'ar ago 1075.3 1071.3 1015.4 1011.5 (December 31 1931 = 100)

DOW JONES Dow Feb. Feb. Month Year Jones 2 1 sgo sgo 8pot 147.07 146.97 134.88 128.48 Fut'rs | 151.78 | 150.87 148.89 158.40 (Base: December 31 1974 - 100)

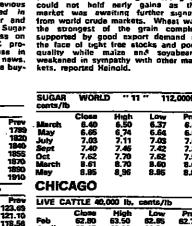
in 1982 fell about 11 per cent in real terms, with more than 66 per cent of rural family earnings coming from nonagricultural sources, the re-

and grain co-operatives.

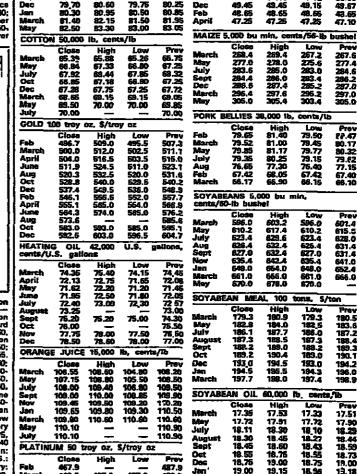
by Soviet purchases last December. The Community must act immediately if it was to continue to export to its

Lower crop prices, higher AMERICAN MARKETS Precious metals weakened on heavy long liquidation as the market could not follow through on the previous day's gains. Cosper declined in sympathy with gold and silver and fanished marginally lower. Sugar dirited lower after early firmness on reports of stockpiling by EEC producers. Cotton was featureless in absence of new fundamental news. Cocoa attracted commission house buy-

ing prompted by concern over new crop prospects. Coffee declined due to the weak tone for rossier interest to the week tone for rossier interest and on technical solling. Heating oil could not hold parly gains as the market was awaiting further signols from world crude markets. Wheat was the strongest of the grain complex supported by good export demand in the face of tight free stocks and poor quality while maize and soyabeans weakened in sympathy with other markets, reported Heinold.



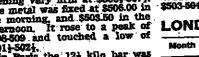




WHEAT 5,000 bu min, cents/60lb-bushel High Low 1454.0 1444.0 1488.0 1410.0 1465.0 1417.0 1489.0 1430.0 7404.5 1454.0 1413.0 1468.0 1425.0 1468.0 1436.5 1489.0 1480.0 1513.0 1483.5 1530.0 1531.5 1580.0 1531.5 1580.0 1556.5 1610 0 1579.0 1840.0 1430.0 1478.5 1455.0 1502.5 SPOT PRICES—Chicago loosa lard 1430.0 1503.0

Prev 345.2 352.4 357.6

Bramley 0.06-0.15, Cox 0.12-0.24, Ida Red 0.08-0.12, Russett 0.14-0.18, Spertan 0.08-0.14, Crispin 0.08-0.12, Paars—oer pound, Conference, 0.10, 0.20, Comics 0.10-0.24, Potatoes—par pound, Conference, 0.10, open 0.45-0.55, closed 0.40-0.80, Lettuce—per tray 1.60-2.50. Chicons—per 55 ib 1.80-2.80, Pickling Onlons—per 55 ib 1.80-2.80, Pickling Onlons—per 55 ib 3.00-3.50. Cabbages—per 25 ib 1.00-2.40, 1.50; per 28/30 ib white/red 1.50-2.40, shire 0.28-0.28.



\$501-5024. In Paris the 121 kilo bar was fixed at FFr 115,000 per kilo (\$510.68 per ounce) in the after-mon, rompared with FFr 115,000 (\$510.52) in the morning, and FFr 113,700 (\$502.65) Wednesday afternoon.
In Luxembourg the 124 kilo bar was fixed at the equivalent of \$506.25 per ounce, against

## EUROPEAN MARKETS

## BASE METALS

TIN a.m. + or p.m. + or Official - Unofficial -t 

Tin—Morning: Standard: Cash E3385, three months £8320, 15, 10, 8300, 8280, 8300, 20, 80, 65, 70, 75, 80, 70, 80, 75, 80, 81, 80, 81, 8crb: Standard: Three months £8360, 80, 75, 80, 90, 8400, 05, 10, 20, 8400, 10, 20, 4ftermoon: Standard: Three months £8440, 25, 20, 25, 30, 20, 21, 25, 20, Kerb: Standard: Three months £8425, 20, 25, Turnover: 7120 tonnes.

Lead—Merning: Three months £314, 13, 12, 11, Kerb: Three months £311, 10,50, 10, 10,50, 11, 10,50, 10, 10,25, Kerb: Three months £310. Turnover: 9775-tonnes.

ZINC ZINC Official + or p.m. |+ or Unofficial -+ 

**ALUMINIUM** 

68,40-89.09 82.08-80.50 87,50-86,00

### FT LONDON SHARE INFORMATION SERVICE

## FUNDS

| Prize | - sr | Vel | |
|- sr | Vel **BRITISH FUNDS** | 198 | 855 | Freedings | 1987 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 | 1981 INT. BANK AND O'SEAS GOVT. STERLING ISSUES **CANADIANS CORPORATION LOANS** 77 \( + \) + \) 1152 | 124 | 1002 | + \) 128 | 123 | 123 | 123 | 1002 | + \) 127 | 1240 | 127 | 1240 | 1014 | + \) 107 | 127 | 1240 | 1014 | + \) 107 | 127 | 1014 | + \) 108 | 108 | 1145 | 108 | + \) 108 | 1145 | 108 | + \) 108 | 1145 | 108 | + \) 108 | 1145 | 108 | 1145 | 108 | + \) 108 | 1145 | 108 | 1145 | 108 | 1145 | 108 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1145 | 1 **COMMONWEALTH AND** | AFRICAN LOANS | Aust. 6pc 1981-83 | 9612 | 962 | 11.57 | 968 | 11.73 | 97.25 | 97.25 | 11.73 | 97.25 | 97.25 | 11.73 | 97.25 | 11.73 | 97.25 | 11.73 | 97.25 | 11.73 | 97.25 | 11.73 | 97.25 | 11.73 | 97.25 | 11.73 | 97.25 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73

BANKS & HIRE PURCHASE
1982/83
Sigh Lieu | Stock | Price | - | Ifet | C've | 6-1 | Price | | 155 | 32 | Do 4/3pc 87-92 Arold | 47 ml | 9.57 | 15.60 | 225 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 2 -5 028c 31 7.9 41 -200 -109 -109 -2 0026° 18 8.8 63 -3 35 -50 -50 -3 55 -9.8 -1009

CHEMICALS, PLASTICS

950 -1 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950

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THE COLUMN AND THE CO Financial Times Friday February 4 1983 INDUSTRIALS—Continued LEISURE—Continued PROPERTY—Continued INVESTMENT TRUSTS-Cont. OIL AND GAS—Continued a fully integrated banking service 1982/83 1 1982/83 1 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/83 | 1982/8

the Frankfurt fixing. Although there is little hope of any early cut in the U.S. discount rate this is counterbalanced by the likeli-

hood that German interest rates will be steady ahead of March election. Sterling fell to DM 3,7590 from DM 3,7760 at the

The dollar lost ground in currency markets yesterday, reflecting a softer trend in U.S. interest rates. This followed the success of Wednesday's U.S. Treasury auction which suggested that interest rates may have peaked for the time being. There was also growing evidence that the Federal authorities were unlikely to tighten monetary growth. In addition some funds were switched into the D-mark which was helped by recent opinion poll findings ahead of next month's election.

Sterling improved against the dollar in 1982-83 is 1.5735. Trade weighted index 15.735. Trade weighted lindex 15.735. Trade weigh

Sterling improved against the dollar but lost ground against most major European currencies.

most major European currencies.

DOLLAR—Trade weighted index (Bank of England) 121.3 against 121.0 six months ago. The dollar has returned to favour as hopes of an early cut in the discount rate recede. The prospect of large fund raising by the authorities has also kept interest rates firm, while the growing trade deficit has failed to encourage further selling of the U.S. currency.

cent from Wednesday. Against to credit policy at yet to credit policy at ye

The dollar fell to DM 2.4650 The dollar fell to DM 2.4650 from DM 2.4950 against the D-mark and SwFr 2.0190 from SwFr 2.0475. It was also lower against the yen at Y238.75 from Y242.25 and FFr 6.9925 compared with FFr 7.0775.

STERLING — Trading range

OTHER CURRENCIES

Sterling opened at \$1.5230\$1.5240 and traded in a narrow range of \$1.5195-1.5270. It closed at \$1.5245-1.5255, a rise of one cent from Wednesday. Against the D-mark, however, it fell to DM 3.7550 from DM 3.7825 and SwFr 3.03 from SwFr 3.1025. In terms of the yen it finished at the sagain suffered from the problems of a strengthening dollar.

As expected the Bundesbank central council made no changes to credit policy at yesterday's meeting. The central bank sold \$3.1m when the dollar fell to DM 2.4685 from DM 2.4835 at

FFr 10.66 against FFr 10.72.

DMARK — Trading range against the dollar in 1982-83 is 25940 to 2.2410. January average 2.3900. Trade-weighted index 127.3 against 125.1 six months ago. The D-mark has shown a weaker tendency during the run up to a March general election Favourable trade figures and fading hopes of lower German interest rates started to reverse this trend, but the D-mark in common with other major currencies has again suffered from the problems of a strengthening dollar.

DM 3.7590 from DM 3.7760 at the fixing.

ITALIAN LIRA — Trading range range against the dollar in 1982-83 is 1.489.75 to 1.196.0. January average 1.374.11. Trade-weighted index 53.0 against 53.9 six months ago. Large public sector borrowing as a result of a growing budget deficit has increased Italy's already considerable inflationary problems.

The lira was steady against the currencies of its major trading partners, Germany and France yesterday. High Italian interest rates continue to support the lira, and there is little expectation that next Tuesday's meeting of the Italian Banking Association's executive committee will lead to a cut in interest rates. Despite an inflation rate of over 16 per cent, and bank prime rates 20 per cent are high enough at present to discourage any large outflows of capital. The lira improved against the dollar, in line with other members of the EMS, at the Milan fixing, with the U.S. currency falling to L1,418.20 from L1,425.20.

from central rate " change adjusted for Divergence divergence limit " ±1.5501 ±1.6430 ±1.0888 ±1.3940 ±1.5094 ±1.6691 ±4.1369 +1.23 -0.71 -0.23 -0.21 -0.97 +1.12 -1.56 8.07013 2.29852 6.51548 2.52160

Note Rates

CURRENCYMOVEMENTS

**CURRENCY RATES** England Guaranty Index Change & Sterling — 0.710905 0.611064
U.S. 5 — 81g 1.08225 0.930650
Canadian5 9.83 1.08225 0.930650
Canadian5 9.83 1.08225 16.1328
Belgran F 1112 52.2910 44.9481
Danish Kr 10 9.59480 0.7713
Dmark 5 2.67178 2.29852
Guilder 41g 2.93154 2.52160
French F 91g 7.58078 6.51548
Ura 18 1535.04 1519.89
Yen 51g 258.998 222.611
Norwgn Kr 9 7.77344 6.69184
Spanish Pta 141.624 12.822
Sweetish Kr 9 8.12250 6.98360
Swiss Fr 41g 2.18440 1.87777
Greek Drich 2012 90.5819 77.8116 Argentina Peso... 83.116.83.155. 54,580.54,630. Austria... 26.25.26,55
Australia Dollar 1.5735.1.5765 1.0350.1.0355 Belgium... 75,40.76.40
Brazil Cruzeiro... 417,57.418.57 273.91.279.28
Finland Markka... 8.2500.8.2815 5.4290.5.4310
Greek Drachma... 125.346-128.522 83.20.83.70
Hong Kong Dollar 10.0.113-10.0312 0.5850.6.5910
Iran Rad... 129.40\* 85.25\*
Luxembourg Fr... 364-30.444
0.2918.0.2919 Netherlands 4.1014-1.1412
Luxembourg Fr... 73.60.73.70 48,30.48.32
Norway 10.67-10.97
Malaysia Dollar 3.4825-3.4925 2.2900 2.2920
Portugal... 10.67-10.97
Malaysia Dollar 3.4825-3.4925 2.2900 2.2920
Spain... 1913-20612
Saudi Arab, Brysi 5.2385-5.2345 5.4405 3.4415 Sweden... 11.38-11.48
Singapore Dollar 3.17-3.18 2.0855 2.0875 Switzerland 5.0643-3.104
U.A.E. Dirham, 5.5810-5.5870 3.6720-5.6730 Yugoslawia... 115-123 80.9 : -39.2 121.3 : +11.6 90.0 : -17.5 119.3 : +29.1 93.9 : -1.9 83.7 : -9.8 127.3 : +53.8 152.5 : +109.5 118.8 : +27.4 73.5 : -19.6 53.0 : +58.6 143.9 : +57.5 Based on trade weighted changes from Washington agreement December 1971. Washington agreement December 1971. Bank of England Index (base average 1975=100).

• CS/SDR rate for Fab 2: 1 33633. THE DOLLAR SPOT AND FORWARD

THE POUND SPOT AND FORWARD Day's spread Close One month p.a. montifs p.a. 1.5195-1.5270 1.5245-1.5256 0.27-0.22c pm 0.33 0.50-0.40 pm 0.96 1.375-0.18940 1.8800-1.8810 2½-1½c pm 0.33 0.50-0.40 pm 0.96 1.250-1.330 1.280-1.330 0.57-0.69p dis 1.250-1.330 1.280-1.300 0.57-0.69p dis 1.250-1.330 0.55-125c dis -6.55 1.250-1.330 0.55-125c dis -6.55 1.250-1.330 0.55-125c dis -6.55 1.250-1.330 0.55-125c dis -6.50 1.43-1.56dis -5.47 1.255-125c dis -7.69 1.25c dis -7.79 1.25c dis -7.69 1.25c dis -7.69 1.25c dis -7.69 1.25c dis -7.79 1.25c di

**EXCHANGE CROSS RATES** 

Feb. 3	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild'.	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1,525	5.755	364.5	10,66	5.080	4,130	2154.	1,801	73,65
U.S. Dollar	0.656	1.	2,462	239,0	6,990	2.020	2,708	1419.	1,233	48,30
Deutschemark	0,266	0.406	1.	97.07	2,839	0,820	1,100	576.3	0.501	19,61
Japanese Yen 1,000	2,743	4,184	10.30	1000.	29,25	8,450	11,38	5936.	5,159	202,1
French Franc 10	0.938	1,481	8.523	541.9	10,	2,889	3.874	2030.	1,764	69,09
Swiss Franc	0.326	0,495	1,219	118.3	3,461	1,	1.341	702,5	0,611	23,91
Dutch Gulider	0.242	0.3 <del>69</del>	0,909	88,26	2.581	0,746	1.909	523.9	0,455	17,83
Italian Lira 1,000	0,462	0.705	1,735	168,5	4.927	1,428		1000.	0,869	24,04
Canadian Dollar	0,532	0,811	1.997	193.8	6.669	1.638	2,196	1151.	1.	39,17
Belgian Franc 100	1,358	2,071	5,098	494.9	14.47	4.182	5,608	2938.	2.553	100.

#### MONEY MARKETS =

## Rates ease on good credit supply

UK clearing bank base lending rate 11 per cent (since January 12 and 13) United Kingdom interest rates were mostly easier yesterday as the money market faced its first official forecast of a surplus since June last year. The Bank of

England gave an early estimate of a £50m surplus later revised to flat with factors affecting the up of Treasury bills -£130m offset by Exchequer transactions +£220m. The Bank gave no assistance in the morning or

Sentiment was also improved by sterling's better performance against the dollar with dealers noting a softer tone in U.S. interest rates after Wednesday's successful U.S. Treasury auction. Three-month sterling CDs slipped to 11 1-11 per cent from 111-111 per cent and threemonth interbank money rates were easier at 111-111 per cent against 111-111 per cent. Overagainst 111-111 per cent. Over-night money opened at 101-11 per cent and soon came down to three 10-101 per cent but only briefly before settling at 101-101 per Lond cent. Rates edged firmer after lunch to a peak of 111 per cent before slipping away to 7 per

In Frankfurt the Bundesbank at 5 per cent and the Lombard recent decline of the D-mark left key lending rates unchanged rate at 6 per cent. There had against the dollar as a major ster a meeting of the central been speculation earlier in the factor in keeping rates unchanged been scheduled for after the fall although the proximity of a meeting and on former occasions this has been seen by the market as signalling no change in politically sensitive time. The authorities not to announce any official view has stressed the further special credit facilities.

LONDON MONEY RATES

Local Local Auth.: Finance Authority negotiable : House deposits | bonds | Deposits 8-114-104-11 111<sub>2</sub> | |115<sub>2</sub> | 113<sub>4</sub> | | 113<sub>4</sub> | -11 11 11 11

ECGD Fixed Rate Export Finance Scheme IV Averag Rate for interest period January 5 to February 1 1983 (inclusive) 11:327 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11½-11½ per cent; four years 11½-11½ per cent; hve years 11½-11½ per cent; four months in table are buying rates for prime paper. Buying rate for four month bank bills 10½-11½ per cent; four months trede bills 11½-2 per cent.

Approximate selling rate for one month Treasury bills 10½-2 per cent; two months 10½-2 per cent and three months 10½-11 per cent. Approximate selling rate for one month ban bills 10½-2 per cent; two months 10½-2 per cent and three months 10½-2 per cent.

Finance Houses Baso Rates (published by the Finance Houses Association) 11 per cent from February 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven days' notice 8 per cent.

Treasury Bills: Average tender rate of discount 10.9366 per cent. Certificates of Tax Deposits (Series 8). Daposits of E100,000 and over hold under one month 11½ per cent; one-three-month 11½ per cent. The rate for all deposits withdrawn for cesh 8½ per cent.

INTEREST RATES = **EURO-CURRENCY INTEREST RATES** 

bid 95/16

(Market closing rates) 11.13 11:2-13 12:4-13:2 13:4-14 13:1-14:4 12:4-13:4
12.12:4 12:4-13:2 12:4-12:2 12:4-13:2 12:4-12:4 12:4-12:4
64.5:6 54.6:4 64.6:6 64.6:6 64.6:6 64.6:6 64.6:6 13:4-12:4 12:4-12:4
15:7-16 16:7-17 17:12 17:18:4 17:7-18 FT LONDON INTERBANK FIXING (11.00 a.m. FEBRUARY 3) 5 months U.S. deliare 6 months U.S. dollars

The fixing rates are the arithmetical means, rounded to the nearest one-sixteen of the bid and offered rates for \$10m quoted by the marker to five reference bar is 11 cm each working day. The banks are National Westminster Bunk. Tokyo, Deutsche Bank. Banquo Nationale de Paris and Morgan Guaranty Tru

bid 95:8

· offer 9 3/4

MONEY RATES NEW YORK GERMANY Lombard
Overnight rate
One month
Three months
Six months FRANCE Intervention rate
Overnight rate
One month
Three months
Six months JAPAN SWITZERLAND Discount rate ...

NETHERLANDS S CERTIFICATES OF DEPOSIT LONG TERM EURO \$ 

SDR LINKED DEPOSITS ECU LINKED DEPOSITS

## Eurodollar quiet

Traders were rather dis-about 90.45 took place, where appointed with the low level of the market became extremely volume in Eurodollar trading on thin, reflecting a general reluc-

A better than expected result to the auction of 10-year notes by the U.S. Treasury, and a softening of the Federal funds overnight rate, led to a firm close in Chicago on Wednesday and a decline of cash market and a decline of cash market Eurodollar rates yesterday morning. The Chicago finish and the Eurodollar interest rate opening levels pushed the March futures price up 19 points to 90.40 at the start of Liffe trading.

LONDON THREE-MONTH EURODOLLAR Sim points of 100°. THREE-MONTH STERLING DEPOSIT

STERLING E25.000 S per £ Close High Low Prev March 1.5212 1.5230 1.5190 1.5160 June 1.5140 1.5140 1.5135 1.5103 Sept 1.5115 — 1.5048 Volume 340 (507) Previous day's open int. 996 (947)

SWISS FRANCS SWFr 125,000 S per SwFr Close High Low Prev
March 0.4962 0.4980 C.4962 0.4937
June 0.5045 — 0.5010
Sept 0.5119 — 0.5084
Volume 103 (83)
Previous day's open int. 255 (281) JAPANESE YEN Y12.5m \$ per Y100

rolume in Eurodollar trading on the London International Financial: Futures Exchange yesterday. A general change of sentiment was reported, but the lack of any heavy buying seemed to reflect continued uncertainty about the future direction of the dollar on the foreign exchanges.

The gill pit was rather more active, with dealers reporting a good healthy market encouraged by the favourable official reserve. by the favourable official reserve figures published Wednesday. The improvement of sterling

against the dollar led to in-creases of over £1 in longer dated cash prices. March and June futures prices gained £1 to 99-09 and 99-01 respectively. March opened }} higher at 98-20, and touched a peak of 99-23. Trading in three-month sterlopening levels pushed the March futures price up 19 points to 90.40 at the start of Liffe trading.

This price was still considered too low, and a rise to opening level.

**CHICAGO** U.S. TREASURY BONDS (CBT) \$100,000 32nds of 1001. High Low Prev U.S. TREASURY BILLS (IMM) 83.95 88.86 89.70 51m points of 100°.: 89.25 89.07 Latest High Low 89.26 89.23 89.07 March 91.83 91.89 91.8 | Close | High | Low | Prev | Dac | 90.76 | 90.76 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90.52 | 90 THREE-MONTH EURODOLLAR (IMM) Sim points of 100°;

Latest High Low 90.25 \$0.30 90.21 89.86 88.89 89.83 89.61 89.64 89.57 89.41 89.45 89.39 March June Sept Dec Feb STERLING (IMM) Se per E Latest Hund Low 1.5245 1.5285 1.5170 1.5220 1.5240 1.5115 1.5130 1.5140 1.5080 1.5100 1.5100 1.5075 GNMA (CBT) 8". \$100,000 32nds of 100% 1.20 High 67-28 58-09 66-23 57-09 66-10 66-16 65-25 65-30 65-07 65-09 64-30 84-30 84-20 84-25 54-10 84-16 Close High Low Prev 0.4193 0.4203 0.4187 0.4143 0.4224 0.4226 0.4224 0.4185 0.4229 0.4229 0.4220 0.4230 0.4230 0.4240

Financial Times Friday February 4 1983 Authorised Units—continued

Lawson Fund Managers Ltd (a) (c) (g) 43 Charlotte 50, Edinburgh 2-031-225 E001 Aud. 5 Par \* 19.8 20 8rd + 0.4 - 11.50 Ph. 5 Par \* 20 8 rd + 0.4 - 11.50 Ph. 5 Par \* 19.8 20 8rd + 0.4 - 11.50 Ph. 5 Par \* 19.8 20 8 rd + 10.4 - 11.50 Ph. 5 Par \* 19.8 20 8 rd + 10.4 - 11.50 Ph. 5 Par \* 19.8 20 8 rd + 10.4 - 11.50 Ph. 5 Par \* 19.8 20 8 rd + 10.5 Ph. 5 Pa

Insurances—continued

Albany Life Assurance Co Ltd
3 Daran-Lain, Potrers 6sr. 0707 42311
Pensions Funds
Follows Funds
1 Pensions Funds
Follows Funds
1 Pensions Funds
Follows Funds
1 Pensions Funds
1

Offshore and Overseas—continued

Perpetual U.T. Managers (Jorsey) Ltd P.O. Box 459, St Helier, Jersey 0534 7417 Offsherr Gerth — \$1.00 Schröder Medi Services Usersey) Ltd P.O. Box 175, St Helier, Jersey 0534 27501 Schröder Moorer Facility 16 Schroder Money Funds Ltd Serling L13.3172 J S. Dollar USV25 0665 Soutschmark DM50 Bb 37 Jess Francs 5F50.0151 Rothschild Asset Manugement (C.1.)
P.O. Box 58. St Junum Cr. Georgey
OC Am Fer \$3.00 3 18 of 948 26741
OC Come 168 0 178 7 170
CC Come 193 116 206 257
OC Come \$35.12 37.43 250
OC MK Fer \$33.59 33.60

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WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, February 2 1983. The exchange rates instead are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates

VALUE OF COUNTRY CURRENCY COUNTRY CURRENCY COUNTRY CURRENCY 2.70 7,035 1,00 1,00 40,7638 22,8697 8,0181 E. Caribbean \$ Peso N.Z. Dollar 9,422 1,399 n.e. 1.00 E, Canbbear Peso : f) (4) Dollar Schilling Port. Escud Qatar. 51405. Riyal 3,6397 5.00 2.00 6.594 Reunion lie de la... Fr. Franc Romania ....... Leu (O) Rwanda..... Franc 6.594 39.8703 18.83 9.9502 697.00 85.50 0.31 1.3422 25.505 Bahamas. 35.95 1424.00 351.75 1.7835 Belize .... Samoa Am.)....... U.S. \$ San Marino ...... It. Lira 1.00 1424,00 C.F.A. Franc ind. Rupee 749.00 0.291 Kampuchea Kip L30 P'pis D. Rep., South Africa ....... 1.00 0.2961 2.0465 48.5475 6.8545 572.00 95.75 1.1214 2.288 8.93 7.05 70.35 7.035 54.56 10.2187 148.25 70.05 7.035 3.5555 2.70 6.5918 Sp. Pes 151,28 sweden ...... Switzerland...,.... Syria Ringgit Rufiyan (O) Rufiyan (M) Maldive Is. .... . Dollar (O) . Shilling Costa Rica .... Thailand
Togo Rep.
Tonga Is.
Trinidad & Tobago
Tunisia
Turks & Calcos
Turks & Calcos Baht C.F.A. Franc On'anga Krone Franc E Caribbean 1.00 1.0351 Uganda. Egypt .. Utd. A'b. Emir. .... Utd. Kingdom..... Upper Volta ..... 3,6728 1,52 351,75 26,13 0,707 1.0779 1.0351 13.20 2.723 1.80 aeroe is... Talkland is 113,697 1,0851 1424.00 Franc C.F.A Franc 7,035 7,035 125,00 551,75 4,2938 4,2938 2,18 1,00 1,00 C.F.A. Franc 12,86 1,00 0,758 Paraguay ......

n.e. Not available. (m) Merket rate, \*\*U.S. dollars per National Currency unit. (c) Official rate. (c) Commercial rate. (f) Financial rate. (f) Fi

